

## MINUTES

### **BUDGET & FINANCE COMMITTEE**

February 3, 2016

A meeting of the Budget & Finance Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Arryl Kaneshiro, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, February 3, 2016, at 10:12 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock  
Honorable Gary L. Hooser (*excused at 10:53 a.m.*)  
Honorable Ross Kagawa  
Honorable KipuKai Kualii  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Arryl Kaneshiro

Minutes of the January 6, 2016 Budget & Finance Committee Meeting.

Upon motion duly made by Councilmember Kualii, seconded by Councilmember Yukimura, and unanimously carried, the Minutes of the January 6, 2016 Budget & Finance Committee was approved.

Minutes of the January 21, 2016 Budget & Finance Committee Meeting.

Upon motion duly made by Councilmember Kualii, seconded by Councilmember Yukimura, and unanimously carried, the Minutes of the January 21, 2016 Budget & Finance Committee Meeting was approved.

Committee Chair Kaneshiro: For Bill No. 2610, we are going to have it taken at 1:30 p.m., which is regarding the discussion on the General Excise Tax (GET). We are going to skip that for now. Clerk, could you...

Councilmember Kagawa: Chair, may I have a personal privilege on the GET Bill? Since the Administration is watching, I heard that they were planning on doing a big presentation again, and my suggestion is if they can just present anything new. I do not like to feel stupid and hear the same thing. We heard the same presentation and it was about two (2) hours. If they are going to come and do a presentation, just present what is new or what will additionally help. Just seeing the same presentation is not going to help me. In fact, I think it will irritate me. Thank you, Chair.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think they are going to be presenting answers to questions we sent them, so I do not think it is going to be just a repeat.

Councilmember Kagawa: That is fine.

Councilmember Yukimura: Chair, I was wondering that if there are people here who want to testify now on it and do not want to come back...they may want to come back and be part of the discussion, but if there is somebody who wants to, can they just testify, and then we can send them along?

Committee Chair Kaneshiro: Yes, we can take public testimony now. If anybody in the audience wants to testify now and have to wait until 1:30 p.m., the rules are suspended.

CODIE K. YAMAUCHI, Council Services Assistant I: Committee Chair Kaneshiro, we actually have one (1) person signed up.

Committee Chair Kaneshiro: Okay. Actually, we did not even read the Bill. Can you please read the Bill?

Bill No. 2610      A BILL FOR AN ORDINANCE TO ESTABLISH A GENERAL  
EXCISE AND USE TAX SURCHARGE FOR THE COUNTY OF  
KAUAI (This item was Deferred to March 2, 2016.)

Councilmember Rapozo moved to receive Bill No. 2610 for the record, seconded by Councilmember Kualii.

Committee Chair Kaneshiro: The motion is to receive. With that, I will suspend the rules and take public testimony.

Ms. Yamauchi: Glenn Mickens was signed up.

Committee Chair Kaneshiro: Glenn, you are letting him speak first? Okay. I will give you the option to wait until 1:30 p.m. or if you want to speak now. Thank you. State your name when you are ready. You have three (3) minutes. The light is going to turn yellow when you have thirty (30) seconds and turn red when your time is up.

There being no objections, the rules were suspended.

JOHN PATTERSON: Thank you for taking me early. I appreciate it. My name is Dr. John Patterson. I live in Wailua. I used to live right next to you, Mel. I spent twenty (20) years taking public transportation, almost every day. I took buses, Light Rail Service (Ls), subways, and I love public transportation and I applaud your effort to expand the public transportation here on Kaua'i; however, the time for that is not now. There are many reasons why that is a lower priority for the GET funds that you are going to be getting versus expanding the roads. I think that you folks hear this pretty much every week and you are going to hear it again, but I have four (4) reasons that I want to discuss why spending money on public transportation at this point is a bad idea. It is that when you expand the roads, you will not just relieve congestion, you make the roads safer, and we have some of the most dangerous roads here on Kaua'i of any roads, in the United States, actually. The second reason is we are massively subsidizing our public

transportation to the tune of eight dollars (\$8) per rider, per trip; each rider, every day. I think some of these numbers get buried. When you hear the real numbers, I think it is pretty hard to keep moving forward with this. The third reason is that the studies that you folks have created and are using to make your decisions are flawed; terribly flawed. I will show you a couple of examples when I get my second time period and I think you will shake your head. I am a scientist and to look at some of the numbers that you folks see and some of the predictions you have made in your studies is "ludicrous," which I am using as a kind word. The fourth point that I want to make is that it is completely foolish to think that tourists are going to spend tens of thousands of dollars to come on their tropical vacation and are going to spend their time taking the bus. I would wonder how many people in this room use public transportation to come to this meeting. Most of us do not have that option. The reason I am here today and taking time out is because I want you folks to stop doing things that you hope will work and do things that we know will work. We have three (3) lanes between our most two (2) populous cities—three (3) lanes. I was the person who wrote the "Three-Legged Horse" letter to the paper. I have driven two hundred fifty thousand (250,000) miles all over the world. I have never seen a three (3)-lane road that was not on a passing lane or a hill. We sit here and go on and on, yet we all get back on a three (3)-lane road with cones and we spend six hundred thousand dollars (\$600,000) a year for those people to place those cones. It is crazy. I see my yellow light. When I come back, I am going to go through these things one at a time and we will see why this is a very poor choice. Thank you.

Councilmember Hooser: I have a clarifying question.

Committee Chair Kaneshiro: Sure.

Councilmember Hooser: Can I ask you to clarify? The three (3)-lane roads that you mentioned are State highways, but this is a County tax.

Mr. Patterson: I know that.

Councilmember Hooser: So what County roads would you like to see expanded?

Mr. Patterson: Well, I would like whatever mechanism got us a Transportation Investment Generating Economic Recovery (TIGER) grant or whatever mechanism you folks have to get federal funds approved to be the number one priority. In terms of the County roads, any County road that does not have proper reflectors, proper shoulders, and all of those things need to be addressed with the money that you are going to be getting. Children walk to school in the dark on the street. I see that every morning. They are little kids, who walk in Kapahi in the dark on a street that does not even have a shoulder, and we just repaved that street and it is still the same way. Those things get me hot, so that is why I came down today. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura has a question.

Mr. Patterson: I thought you folks were not supposed to ask questions.

Council Chair Rapozo: So did I and I am going to raise a point of order.

Mr. Patterson: I was here the day you said you folks were not supposed to ask questions.

Council Chair Rapozo: Chair, my point is that the question has to be a restating of what he had already said, not to further the testimony. I think we need to adhere to that. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I would like you to restate what the subsidy is for roads.

Mr. Patterson: For roads? I do not understand the question.

Council Chair Rapozo: Chair, he never said that. He mentioned the subsidy for bus riders.

Mr. Patterson: Yes. The thing I am objecting to is taking any of the GET increase—this is what I understand, that it is a GET increase, and you folks are sort of squabbling of how you are going split up the new money. There needs to be no money further put towards public transportation until those buses that those people are riding on are safe and are traveling on safe roads, until every person on this island is traveling on safe roads. It is not congestion; it is safety, as much as anything else. I will come back and provide more facts.

Committee Chair Kaneshiro: Okay. Thank you. Mr. Mickens.

GLENN MICKENS: I really appreciated Mr. Patterson's testimony. I thought it was outstanding, as he seems to have very good expertise on it. I have no problem with the findings and purposes of this Bill to address traffic congestion and our roads that are in poor condition. We do not need an added excise tax to raise twenty million dollars (\$20,000,000) that we would be predominantly using for repaving our roads to make them, as the Chamber said, "modern and well-maintained." We only need to know where the money that is allocated for our roads is going like the gas and auto weight tax. For twenty (20) years, I have been showing our Council's pieces of Asphaltic Concrete (AC) from our roads that are one-half inch (0.5") to three-quarters inch (0.75") thick, yet the bids for repaving these roads call for the final lift to be one and a half inches (1.5"). I have taken a mayor, councilmembers, and county engineers to these sites where I had the AC, but no action was taken. Thus, we have spent millions of dollars over the years for AC that we paid for, but did not receive, yet no one has demanded for an investigation to see what is going on. Not only has the AC we paid for mysteriously disappeared, but the roads were being illegally paved by not using proper Hawai'i Asphalt Paving Industry (HAPI) or American Association of State Highway and Transportation Officials (AASHTO) standards to do the paving. AC was laid over cracked surfaces without first removing those broken sections, as Larry Dill has brought it up-to-date and is now doing, before potholes appear and

need resurfacing; whereas if done properly, they would have lasted fifteen (15) years or more. To further compound our roads problems, no paving was done for three (3) years, even though our Council approved the bid in the budget for repaving, making our roads deteriorate even further. Even by paving the seven (7) or eighty (8) miles with the average two million dollars (\$2,000,000) appropriated would take thirty-five (35) to forty (40) years to pave our three hundred (300) miles of road; that is grossly inefficient. Before even thinking about putting more tax on our overtaxed citizens who are certainly not seeing more improvement in these problems from our tax structure that we have now, let us see if anyone in this Council or Administration can give answers to the problems I have raised. Get rid of problems like these and the many others that our late friend, Ernie Pasion, uncovered in his audits. We would have enough money to not only repave our roads, but take care of the long list of issues that exist and have existed for too many years, traffic being at the top of that list. If we had a county manager who let these problems exist under his or her watch, all under the direction of the council and the mayor; would the people not be voting in new seven (7) members at election time? Just forget any new taxes. Get a manager and let him or her have a crack at turning this County around. Anyway, I will be tickled to death to hear Mr. Patterson's remaining testimony. Again, find the waste in the system. Do not keep on saying, "More taxes, more taxes." Thank you.

Committee Chair Kaneshiro: Anyone else wishing to testify for the first time?

JOE ROSA: For the record, Joe Rosa. The problem with the highway is not a County problem. It is a State highway problem. These roads have not been done for eighty (80) plus years. Lihue to Kapa'a is eighty-three (83) years. Maluhia Road to Lihue is eighty (80) or eighty-one (81) years. It is not a County problem. It is where the County Council should work with the State Legislature to get funding so we can have this infrastructure change. The last thing was thirty (30) years ago where we had the State do something for Kaua'i, which was Kapule Highway with the (Inaudible) Bridge across the valley there. Do you think that is fair for all the tax money we pay is gasoline taxes, et cetera? Yet, you want to tax more money for the highways? That is not a County problem. Go and see the State. A couple of months back, they had a big headline, "Use It Or Lose It." What was the cause of that article? The State is not using their funding, so it is up to our legislators, our representatives, three (3) representatives, and one senator to go after that money. I hear that the State of Hawai'i Department of Transportation (HDOT) say that it is going to cost big money to build it. Yes, but what are you going to do about it? We have problems. That is the thing. You folks need to get some fire under yourselves and get after those guys. Go to HDOT and ask them, "What are their plans for the future for the infrastructure." This has been a problem from the Bryan Baptiste days. On their opening testimony for the year, they talked about infrastructure, but they do not see the State and get the things going. I used to see it in our office. Before they opened the Legislature, they would come over and they used to ask the boss, "What can we do for funding that you need to improve the highway system here?" They talk about big money, but that is it. We swallow whatever they have to say and nothing is done. That is the main cause of it. It is not a County tax problem; it is the State's problem. It is their duty to provide the highways. We pay gasoline tax, but it is not only for resurfacing. The gasoline tax is supposed to be for new infrastructure. I come here to give testimony.

I have worked with the (inaudible) and everything. Like I say, those are the kinds of things that you folks need to look at because you have the power and they have the power. Thank you.

Committee Chair Kaneshiro: Thank you, Mr. Rosa. Anyone else wishing to testify for the first time? Mr. Taylor.

KEN TAYLOR: Chair and Members of the Council, my name is Ken Taylor. As I said at the last hearing on this, there was plenty of flaws in the process and some of my discussion is based on books I have here: "The High Cost of Free Parking," "New Visions for Metropolitan America," "Stuck in Traffic," "Still Stuck in Traffic," "Better, Not Bigger," and "Limits to Growth." Traffic is only one small part in traffic congestion and moving around as only one small part of planning. If we continue to plan sprawl, which we are doing, we are creating a problem that we can never afford the need for more transportation...public transportation...As I said at the last meeting, to make public transportation more viable, it takes a minimum of four thousand two hundred (4,200) people per square mile on one end, and on the other end a very large area of jobs so that you are going from here to there...we do not have that on the island. The average is less than two thousand (2,000) people per square mile island-wide. We need to look at the situation very carefully. On the first page of your Bill, at the bottom there is a little chart that shows what is going to be accomplished by this activity and I am saying that as long as we continue to grow and sprawl, there is no way that we are going to reach those numbers that are presented. Reading from a policy briefing from Brookings Institution, from 1980 to 2000, one million two hundred thousand (1,200,000) more automobiles were added to the vehicular population of the United States for every one person added to the population. Sixty million people (60,000,000)...

Committee Chair Kaneshiro: Ken, your time is up.

Mr. Taylor: Sixty million (60,000,000) more people to be...

Committee Chair Kaneshiro: Ken, your time is up.

Mr. Taylor: ...population on this in the United States. That means sixty million (60,000,000) more cars. We need to address the issue.

Committee Chair Kaneshiro: Councilmember Yukimura, repeat or rephrase.

Councilmember Yukimura: Ken, would you please repeat or rephrase whether you are for or against this Bill?

Mr. Taylor: I am sorry?

Councilmember Yukimura: Would you please repeat or rephrase whether you are for or against this Bill?

Mr. Taylor: Repeat?

Committee Chair Kaneshiro: I do not think he stated it, but are you for or against this Bill?

Mr. Taylor: I am sorry?

Committee Chair Kaneshiro: Are you for or against this Bill?

Mr. Taylor: Under the circumstances and the way it is written, I am opposed to it.

Committee Chair Kaneshiro: Okay. Thank you. We are going to have to take a caption break. I just want to let the audience know that this is your testimony on record, so you are not going to be able to come back and do another six (6) minutes at 1:30 p.m. I just want to make that clear. We will take a ten (10) minute caption break and come back.

There being no objections, the meeting recessed at 10:31 a.m.

The meeting reconvened at 10:46 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Again, we are going to start where we left off. We are taking public testimony for Bill No. 2610. Is there anyone else in the audience wishing to testify for the first time? Mr. Hart.

BRUCE HART: For the record, Bruce Hart. I will start off right away by saying that I am not for any kind of tax to fix the roads. Joe spoke about something that I wanted to expand on also, which is that Kūhiō Highway is the State's responsibility. I just recently learned that there was a study done a couple of years ago by the "TAT Working Group." This study was done in order to provide recommendations as to how the State could see to it that the counties got more of the tourists' income tax money that comes from tourism. That is what I would like to see. In fact, I think it dovetails with this issue that we heard earlier and the one that you have been talking about for so long, which are TVRs. I think the TVRs ought to be taxed. I do not think that we should necessarily look at the TVRs as a complete evil; I think that it is a source of revenue if we do it right and we put it together right and put it in its place and do all of that. In that situation, if the County creates that source of revenue, it seems like the State just grabs all of it. I do not like this idea that the State takes all the money that the County generates from things like that, and then they decide what to give us back and where we are supposed to spend it. I think that they should get a cut and we should get a cut and we can do what we want with our cut. We decide because it is our money, our community, and our island. This revenue is being generated here on our island. In other words, let us be creative and get another source of revenue. Let us find ways to fund the government that does not put it all in this repetitive, "We are going to just fix it for a while, 'Band-Aid' approach." I think that some of the what Joe said is that I think that this County, as well as all the other counties, should get together, reach out to the State legislators, and fellowship; let us work together. If they do not want to work together, then maybe you can get tougher. First, say, "Look, we have things that we need to do." Thank you.

Committee Chair Kaneshiro: Thank you. Now we will go to the second round. John, you may come back up.

Mr. Patterson: Thank you for taking my second round of testimony.

Committee Chair Kaneshiro: Please repeat your name for the record.

Mr. Patterson: My name is John Patterson from Wailua. I am going to quickly go through these four (4) points that I made. First off, I understand that Kūhiō Highway is a State highway, but unless I go to O'ahu, this is my only way to get anything done. You folks passed the resolution to change the airfares. We need that kind of motivation to get the Governor and the legislators to release money that is available for Kaua'i. Then of course you have control over the County roads. Kaua'i has two percent (2%) of all the roads in the State. We have fifteen percent (15%) of all the traffic fatalities. That means you are seven (7) times more likely to be killed on a Kaua'i road than on an average Hawai'i road. That is lack of leadership. That is the three (3)-lane road manifesting itself. That is the narrow, dark, and twisty roads that we have with no sidewalks, playing out in the deaths of our citizens. Every time someone dies, you should ask yourself—the area right there by that jail is one of the most dangerous parts of any highway in the State and that is because of the fact that there is contraflow and three (3) lanes. You folks need to do whatever is required to improve that piece of road. Let us talk about the subsidies. As I mentioned, I have some real numbers here. You spent six million eight hundred thousand dollars (\$6,800,000) in 2013 to transport seven hundred eighty thousand (780,000) riders. That is over eight dollars (\$8) per rider, each way. A person who went from Kapa'a to Lihu'e on the bus five (5) days a week received four thousand one hundred dollars (\$4,100) in tax money subsidies for those trips; four thousand one hundred dollars (\$4,100) per year. That is crazy. It is crazy to spend four thousand one hundred dollars (\$4,100) to subsidize a system that is not full. Now you are saying, "Let us expand it, because if we expand it, it will draw-in more ridership." Actually, your data from your studies shows that is not true. When you added more routes, the number of boarding per revenue hour fell first from fifteen (15) per hour to nine (9), and it is slowly creeping back up. But this idea of egg, chicken—which comes first...the ridership needs to be made better. No, it has been shown that expanding the ridership has decreased the efficiency of the public transportation system so funding it further is a bad idea. Your studies are completely flawed. I have to get through this quickly, but one study said that you wanted to have up to one point three percent (1.3%) of the rides by 2020 being done on the bus. That is a three hundred twenty percent (320%) increase from 2010 to 2020, but we are already six (6) years in and it has only increased sixty percent (60%). That means you are saying by 2020, there is going to be one million (1,000,000) more people riding the bus each year. The other one that was even better than that was they predicted that...

Committee Chair Kaneshiro: Sorry, John. Your time is up.

Mr. Patterson: Okay. You should reread your own flawed studies. They predict that seven million (7,000,000) riders will be riding the bus in 2035.



Committee Chair Kaneshiro: You can still submit testimony and E-mail it if you want to send us the points. Next speaker is Glenn.

Mr. Mickens: For the record, Glenn Mickens. It was really a breath of fresh air to hear somebody like John come up here with these figures that realistically if you look at things like how many people use the bus and how many people are going to. These figures right here that are projected on Bill No. 2610—it is apparent that bicycles...two percent (2%), transit/buses, point four percent (0.4%)...by the year 2020, it might be going up to one point three percent (1.3%)...by even 2035, which I will not be here in 2035, up to three point six percent (3.6%). It is ludicrous and crazy to keep on saying that we are going to spend this kind of money taking excise tax to put bigger diesel buses on a thing. You are talking about nonpolluting? How much more do they pollute than a car? That diesel smells. You know because you have all driven behind trucks, just like buses or anything else. If they are diesel, they are going to be polluting more than anything else. The point is, as John has pointed out, we are spending these huge amounts of money, researching and going after something that is not realistic. Live in the real world. That vehicle that you drive...you are going to keep driving it. You are not going to abandon your vehicle for whatever reason. The convenience of going from "Point A" to "Point B" is there when you want to come. You are not going to wait for a bus or you are not going to get on a bike...would you go shopping on a bike? Are you going to ask an elderly person to get on it? No you are not. It is ridiculous to even think about that. I only ask that you folks use a little common sense like John said. I wish you could give him more time to go ahead and finish his testimony. Thank you very much.

*(Councilmember Hooser is noted as excused.)*

Committee Chair Kaneshiro: Thank you. Mr. Rosa.

Mr. Rosa: For the record, Joe Rosa. The thing is that it is not only planning and not doing. I always hear at the start of the year "our priorities" and "that is number one," but those priorities are not taken care of during the year. Nothing is done. It is just cheap talk. It is coming from the top man. Harry Truman used to say, "The buck stops here." Here, it is not; nothing has been done. What is there to do? We are faced with this infrastructure problem. Like I said, when the State took away the island development for each island away...let Honolulu do everything by themselves and be consultants, which they do not know the other islands' problems. Even if they know about it, they do not do anything about it. You can see at the end of the fiscal year when they sent out the booklet, a lot of the work...charge codes that we use here is not anymore, but it was used in Honolulu in Kāneʻohe for a sewer system. We do not do our projects with the money that is set aside in the Legislature, so we lose it. Plus, we lose the federal matching funds. The County Council will have to work with our legislators and get the money home for the island here. That is what is needed. Go get it. It is there. I hate to say it and you always hear me say the same old thing, but I am being realistic to the fact that that is what is lacking from what I see. It took Kapule Highway thirty-six (36) years to build, which I retired after thirty-six (36) years; that is too long. We also had "Band-Aid" jobs in between. Kapaia truck climbing hill—1967 and Hanamāʻulu truck climbing hill—1969...that delayed the projects. All of these "Band-Aid" jobs are not helping. We need realistic and

alternate routes, alternate routes through Kapule. I do not know how some people cannot see the fact that alternate roads ease transportation problems in and out of Līhu'e after 1960...1986. That is the way it is. You have to be realistic. You cannot get paranoid over something that is not totally working. Thank you.

Committee Chair Kaneshiro: Thank you, Mr. Rosa. Next we have Ken.

Mr. Taylor: Chair and Members of the Council, Ken Taylor. In the United States in 2000, only four point seven percent (4.7%) of all commuters traveled by public transit. Outside of New York City, only three and a half percent (3.5%) used transit, and eighty-nine point three percent (89.3%) used private vehicles. The major reason is that most transit commuting is concentrated in a few large, densely settled regions with extensive fixed rail transit systems. The nine (9) United States metropolitan areas with the most daily trips and daily transit commuters when taken together accounted for seventy-one percent (71%) of all United States transit commuting, though they contained only seventeen percent (17%) of the total population. Within those regions, transit commuters are seventeen percent (17%) of all the commuters, but elsewhere, transit carriers was only two point four percent (2.4%) of all commuters and less than one percent (1%) in many low-density regions. If every American existing transit capacity was tripled and fully utilized, morning peak hour transit travel would raise eleven percent (11%) of the morning trip, but that would reduce all morning private vehicle trips by only eight percent (8%), which is certainly progress, but hardly enough to end congestion and triple public transit capacity would be extremely costly. This is my point. We are looking at several different things in this Bill. One is to fix the roads; we would all like to fix the roads. Transit—we would all like to have a better bus system, but can we afford it? Should we afford it at this point in time? How should it be afforded? I certainly believe that first of all, you put a three dollar (\$3) a day price tag on all rental vehicles and instead of putting a tax on sales, you put a gas tax in place so that people using the facilities are going to pay for it. If I elect to drive two hundred (200) miles this week, I pay for it. If I decide to only go ten (10) miles this week, I pay less and it is the way it should be. I think that this Bill should be removed from the table and a new bill will be looked at in the future. Thank you.

Committee Chair Kaneshiro: Thank you. Bruce, did you want to speak again? If not, I will call the meeting back to order. I am going to recess this item and we are going to come back at 1:30 p.m. Council Chair Rapozo.

There being no objections, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Chair, I just would like to echo what Councilmember Kagawa requested, that we do not go through the same entire presentation. Maybe we can send something over to the Administration that anything in addition to what was already presented would be appreciated. I would echo that request. Thank you.

Committee Chair Kaneshiro: Okay, note taken. With that, can we move on to the next item?

The Committee proceeded on its agenda item, as shown in the following Committee Report, which is incorporated herein by reference:

**CR-BF 2016-04:** on Bill No. 2611      A BILL FOR AN ORDINANCE  
AMENDING ORDINANCE  
NO. B-2015-797, AS AMENDED,  
RELATING TO THE CAPITAL BUDGET  
OF THE COUNTY OF KAUAI, STATE OF  
HAWAII, FOR THE FISCAL YEAR  
JULY 1, 2015 THROUGH JUNE 30, 2016,  
BY REVISING THE AMOUNTS  
ESTIMATED IN THE BOND FUND  
(*Hanalei Baseyard Fuel Tank Project –*  
*\$40,000*) (Approved.)

Committee Chair Kaneshiro: We will come back to finish up Bill No. 2610.

There being no objections, the meeting recessed at 11:03 a.m., and convened in the Committee of the Whole Meeting.

The meeting reconvened at 1:37 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are on Bill No. 2610, regarding the general excise tax. I am going to suspend the rules for now. The Mayor has something to say and the Administration has a short presentation.

There being no objections, the rules were suspended.

BERNARD P. CARVALHO, Jr., Mayor: Good afternoon, Councilmembers. I am here with my team, ready to share the information regarding our GET tax. I just wanted to restate how strongly I feel that we need to support this. This one-half percent (0.5%) will raise about twenty million dollars (\$20,000,000) per year over ten (10) years and I want the people of Kaua'i to understand how important this opportunity is for Kaua'i. I support the split of seventy-five percent (75%) of these funds to be used to repair our roads, our bridges, a centralized equipment repair shop for all of our operational needs, and of course to reduce congestion. I support the remaining twenty-five percent (25%) to be used to improve a transit system, looking at frequencies of better service, commuting, and of course shuttle service. Since submitting a draft bill in September, approximately four (4) months ago, we have done our homework and we really worked closely, trying to get out in the community, talked to the Kaua'i Chamber of Commerce, Kaua'i Visitors Bureau, Kaua'i Contractors Association, Kaua'i Realtors, Kaua'i Business Counsel, The Garden Island, and tried to give all you Councilmembers as much information as possible, and just in general, community meetings. We look forward to a timely discussion. We worked hard at the State Legislature and we ask that we have this chance and opportunity. It was given to the counties. Our team has assembled over and beyond the information that is needed, but we will be able to deliver that message today and hopefully the community can see and understand. We have our priority listing of bridges of which comes first and which comes second; our roadways; and our bus ways. Our opportunities are on the table and we have presented and given you the information that our team has assembled. If this does

not go for whatever reason, I do hope that you have a plan that can help us to work together to address an opportunity like this. I am hoping that you have something that you can share as well, but also at the same time, hoping that you can support what we are doing because a lot of work and effort has gone into this. We have listened to you, we heard you, and we have gone through the long hours of preparation. You have our packet of information and my team will be coming up very shortly, but as Mayor, I just wanted to say that this is what we need for Kaua'i and we are going to share the information with you, as well as the public. *Mahalo* for the opportunity and we look forward to a healthy discussion and the passage of this Bill.

Committee Chair Kaneshiro: Thank you, Mayor. Right now, we will have the Administration come up and do their presentation. Like we mentioned earlier, let us try to keep the presentation to new information only or maybe just how to get through this binder.

NADINE K. NAKAMURA, Managing Director: Good afternoon, Nadine Nakamura, Managing Director.

KEN M. SHIMONISHI, Director of Finance: Ken Shimonishi, Director of Finance.

Ms. Nakamura: We just wanted to follow-up this afternoon with the Council's request at the first reading of the Bill. The Council asked for a clear plan for the use of the GET surcharge. "What are the specific roads and bridges that could be completed in the next three (3) years if this GET surcharge were to be passed," and then, "What happens after the ten (10) years," were the two (2) primary questions that we wanted to address. We are going to walk real quickly through this. You have your plan in front of you. That is kind of what I am going to be focusing on. The PowerPoint is really just a summary for the public. If you take a look at the beginning portion of the plan, page number 2 at the top, there is a little bit about the history of the GET surcharge that everybody is familiar with. Also, what the surcharge can be used for under the State law. Then there is the listing of the Problem Statement. Wherever we go, we hear that people are concerned about traffic congestion or concerned about the condition of our streets and sidewalks. The visitor survey also showed that the top three (3) things that people do not like about their visit to Kaua'i are traffic and roads, which was number one; having to leave; and then having nothing to complain about. I think chickens are way down on that list, but it does appear. I am going to ask Ken to go over the revenues.

Mr. Shimonishi: As far as the revenues, it is obviously estimates that we have. Numbers were provided to us from the Senate Ways and Means Committee on two (2) different occasions, and obviously those numbers varied. I also received information from the State Department of Taxation to try to give us a baseline of what the revenues were. Basically over the next ten (10) years, it is estimated that a one-half percent (0.5%) in the GE tax would generate approximately two hundred forty million dollars (\$240,000,000) to two hundred fifty-five million dollars (\$255,000,000), which is purely an estimate that we have. We would receive, if enacted, the first of these revenues in April 2018 and the payments would be the month following the quarter ended. So every quarter, we

would receive the payment from the State of Hawai'i, again verified through the Department of Taxation. The one thing that we would probably request to amend on this Bill is to create a separate fund to account for these revenues and expenditures that we only have the GE tax surcharge revenues and expenditures...exactly at the end of each year how much was received, how much was expended by which department for what purpose, and what is the remaining fund balance of such revenues to move forward with.

Ms. Nakamura: All of this is found in your "Attachment A," the revenue side.

Mr. Shimonishi: Again, as the Mayor mentioned earlier, our expenditures remained at seventy-five percent (75%) of the surcharge or one hundred ninety-one million dollars (\$191,000,000) towards the road/bridges equipment, highways equipment replacement, vehicle repair, and twenty-five percent (25%) towards our transportation system, buses, bus yards, facilities, and so on. Within the plan document itself, this would be under item number 4, expenditures, "Attachment B" and "Attachment C." As far as the road resurfacing repair component, within the first three (3) years, the Department of Public Works has identified a detailed list of roads. That is under "Attachment D," basically, local roads and collector roads of approximately eleven million three hundred thousand dollars (\$11,300,000) each: the roads to be repaired in the first three (3) years, number of roads in each year, and the lane miles that we expect to touch and complete. This just gives you a cross-section of collector roads, the roads that would be addressed in some fashion, and the total dollars, so by the five (5) districts and the name of each road. As far as our local roads, there were too many to list. Again, in some fashion, these roads would be attended to by the five (5) districts, the number of roads in each district, and the amount of money that would be expended towards these roads.

Ms. Nakamura: To follow-up on the Council request, on "Attachment D" is a list of all of the local roads listed by district...sorry, they are not by district, they are by the name of the road, but we have added a section on the district so that you can see where this road is located and updated information on the type of treatment that is proposed by the Department of Public Works. "Attachment D" is the local roads and "Attachment E" is the collector roads.

Mr. Shimonishi: Again, in the first three (3) years, the Department of Public Works has identified nine million dollars (\$9,000,000) in bridge repairs. This is addressed in the following areas. The bridge is to be attended to and the number of bridges in each area.

Ms. Nakamura: The bridges on the left hand side, the replacement bridges, for the public, are the bridges that would be replaced and on the right hand side is just the number of bridges per district. I think the big change is the attention to these bridges because of the condition they are currently in. If we do not have adequate funding, then we would need to look at a bond issuance to include these bridges for repair and replacement.

Mr. Shimonishi: Also addressed would be our ongoing deferred equipment list for our heavy equipment, as well as our ongoing equipment

for our highway needs. This is Section 4.4 of the plan, as well as “Attachment G.” We provided a list of all the equipment that has been scheduled to be replaced in some fashion. “Attachment G” is where you would see the listing of the equipment. We covered the centralized vehicle repair shop earlier of doing a consolidated location to address the Department of Public Works, the Transportation Agency, the Kaua‘i Police Department, and the Kaua‘i Fire Department within the first three (3) years to expend six million six hundred thousand dollars (\$6,600,000) towards planning, design, site, location, and construction. Again, this is what we were dealing with over at the Transportation Agency’s facility that is currently inadequate to address the repair and maintenance (R&M) and service needs of our bus vehicles.

Councilmember Yukimura: Where is that?

Mr. Shimonishi: I do not think that is in the plan.

Councilmember Yukimura: It is not in the plan?

Mr. Shimonishi: No, because these are things that we have...

Ms. Nakamura: We discussed it earlier.

Mr. Shimonishi: Yes.

Ms. Nakamura: The discussion is on page number 4, item number 4.5.

Councilmember Yukimura: Page number 4 of this book?

Ms. Nakamura: Yes, it is page number 4. It is not the attachment; it is the actual page.

Councilmember Yukimura: Where is it in the spreadsheet?

Ms. Nakamura: If you take a look on “Attachment B,” it is under “Auto Shop Total.”

Councilmember Yukimura: You said it was fifteen million dollars (\$15,000,000). How much is the total?

Ms. Nakamura: That is the total if you take a look. It is seventeen million dollars (\$17,000,000) total; however, the GET funds cannot cover the full amount of the facility because we can only use it towards the highway and Transportation Agency costs. We are looking at Fire and other agencies like Parks & Recreation. Their portion of the use of the facility could not be covered under the general excise tax.

Councilmember Yukimura: Can you give us the documentation for how you have broken it down?

Ms. Nakamura: Sure. Can we do that as a follow-up?

Councilmember Yukimura: Do you have it today?

Ms. Nakamura: Our...

Committee Chair Kaneshiro: From the previous presentation, I have a GE tax surcharge and it breaks down the GET number, the federal match, and the County or bond amount, so I can have it...

Councilmember Yukimura: No, I am talking about the percentage between the uses that qualify for GET funding and those that do not and how that breakdown was arrived at percentage-wise.

Committee Chair Kaneshiro: Okay. The Administration can continue their presentation and that is something that they can get back to you on once the presentation is done.

Ms. Nakamura: Sure.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Can we all ask that we be recognized, prior to just blurting out questions and show courtesy to the Chair?

Councilmember Yukimura: Thank you.

Ms. Nakamura: There is also, within the ten (10) year period, possible new transportation initiatives to address traffic congestion, creating alternate routes, and possible resiliency type of projects. As mentioned earlier, some of these will require further discussion. We are not projecting funding in the first three (3) years for these initiatives, but we just wanted to take the opportunity to mention them. That is the Kīlauea New Town Entry Road; a connector between Kūhiō Highway and the Kapa'a temporary bypass, connectors between neighborhoods and the Kapa'a temporary bypass to alleviate some congestion through Kapa'a Town; connector between Kuamo'o Road and Ma'alo Road as a resiliency project, should anything happen to the Wailua Bridge; Līhu'e Mauka Road; and the northerly leg of the Kōloa Western Bypass Road.

Mr. Shimonishi: Just to reiterate our dramatic increase in our bus ridership numbers, this is covered or related to Section 4.7, page number 5, and how we plan to address some of this would be obviously to increase our weekend service to once every hour, extend Saturday service to 9:30 p.m., which is currently what the weekdays run, and also extend the Sunday service to 6:30 p.m. Again, further details are provided on page number 5, Section 4.7 of the bus improvements. Continuing on, to recognize, reconfigure, and improve Kapahi/Wailua shuttles, improve the Līhu'e shuttles, as well as provide Kōloa service between Līhu'e and Kalāheo, and increase mainline service during peak hours. Our bus system in the first three (3) years is expecting to expand approximately eight million one hundred thousand dollars (\$8,100,000). We mentioned this earlier on the satellite baseyards fleet replacement, as well as the administrative facility needing attention. Personnel wise, we foresee the need to bring on two (2) engineers and two (2)

construction managers related to the Department of Public Works to move the one hundred ninety-one million dollars (\$191,000,000) in projects over the next ten (10) years. To be clear, these would be limited term, civil-service employees. So in fact, their employment would end once the surcharge ended as well. On the transportation side, obviously the need would be for additional drivers to increase the routes, dispatchers, mechanics, and administrative staff, including some funding from the Federal Transit Administration (FTA) on these. All of these positions would be exempt appointees, as they currently are. At the end of the ten (10) year period, we remain with what are the risks to the County of this funding, which would entail elimination of the staff positions for the highways, which we already addressed as limited term civil-service employees, and either elimination or reduction of services regarding transportation and how we continue to fund this going forward, either other options like fuel taxes, vehicle weight taxes, and other taxes, etcetera.

Ms. Nakamura: We just wanted to keep it short and to the point and to address the concerns that were raised at the last meeting. We are open to any questions.

Committee Chair Kaneshiro: Any questions? Council Chair Rapozo.

Council Chair Rapozo: Thank you. I just have a couple of questions. I will start with the bridges. The bridges have been a problem for quite some time now. I am just trying to understand or find out what efforts have we made in the last ten (10) years to address those bridges?

LARRY DILL, P.E., County Engineer: Good afternoon. For the record, Larry Dill, County Engineer. The answer is a two-fold. We have our bridges that are Federal Highways fund eligible, so those are the bridges that are at least twenty (20) feet long and those are bridges that we can seek Federal Highways funding for to repair or replace. Because those bridges are in that program, we are required by HDOT and Federal Highways to do a biennial inspection. We do inspect those and have a consultant come to take a look at them every two (2) years. Those bridges, by and large, are in serviceable condition and we have a program in place and we have one that is going out to bid very soon. Kapahi Bridge is our next one. We have another one, Pu'u'ōpae Bridge, the following year. If we go according to plan, 'Ōpaeka'a Bridge will come after that. We have plans for the federal aid bridges and that has been moving forward for the past several years.

Council Chair Rapozo: Are you talking about the bridges that you were referencing in the presentation?

Mr. Dill: The 'Ōpaeka'a Bridge is one of the bridges that I just mentioned.

Council Chair Rapozo: Okay.

Mr. Dill: For the other ones, I do not believe any of those are federal aid bridges.



Council Chair Rapozo: Right, so my question is as it relates to the bridges that are being presented in your presentation today, what efforts has this County made in the past to address the conditions of those? Have we sought bond money?

Mr. Dill: As I mentioned, these are the bridges in the first three (3) years. Those are the most immediate needs. For the rest of the years, there are federal aid bridges and local bridges that we would be doing. We have sought bond money. For instance the Kapahi Bridge is bond funding, it is a match for that at twenty percent (20%) on that federal aid bridge. I am sorry—it was highway funding that we are using for the match on that one. We have leveraged other funding in order to take care of those things.

Council Chair Rapozo: That is where I am trying to figure out where have we...I do not recall, on the Council anyway, as long as I have been here, addressing or entertaining a request for a grant, federal funding, or any type of funding for bridges.

Mr. Dill: Yes, the funding for the three (3) bridges, I will call them the “Historic Bridges in Kapa’a,” has been in place for quite a while and has been on the Capital Improvement Projects (CIP) every year for the last five (5) years, so the Council has approved that budget every year.

Council Chair Rapozo: Right and we have not repaired it?

Mr. Dill: Not in completion. The first one is going out to bid...oh, it has already been bid...I think we have awarded it or about to award. All three (3) of those are historic bridges, so it is quite an effort to get through the environmental process with the community on that one.

Council Chair Rapozo: You are identifying these bridges in the first three (3) years, but like you just explained the bridges that have been funded for five (5) years...only now we are going out to...

Mr. Dill: Part of the reason is because those are federal aid bridges. We have been working on the ‘Ōpaeka’a Bridge for the past three (3) years and it is getting to the point where we are ready for construction, we believe, by next fiscal year. We have gone through the environmental process: the 106 process and the permitting process for that one.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Follow-up question, Councilmember Hooser.

Councilmember Hooser: I have a similar question. In addition to these seven (7) bridges, how many other bridges are in play right now?

Mr. Dill: I believe we have approximately twenty-five (25) federal aid bridges identified on this island.

Councilmember Hooser: How many do you have contracts on or working on besides these seven (7)?

Mr. Dill: I believe there are three (3) active right now. For the 'Anini Bridge, we have done the technical consulting work and we are soliciting the consultant right now, so I guess four (4), including that one.

Councilmember Hooser: So that would be ten (10) or eleven (11) bridges? These seven (7) plus another three (3) or four (4)?

Mr. Dill: Approximately.

Councilmember Hooser: We are going to do these in three (3) years? It does not even seem possible to do one (1) bridge in three (3) years, let alone ten (10) or eleven (11).

Mr. Dill: You are right. It is an aggressive schedule. Part of the reason is that we have not had the funding, resources, and manpower.

Councilmember Hooser: The capacity to put seven (7) bridges out, which means doing seven (7) Environmental Impact Statements (EIS), seven (7) sets of plans, seven (7) permits, and then seven (7) bids is in three (3) years?

Mr. Dill: None of these will require an environmental impact statement. They will require an Environmental Assessment (EA) and maybe an exemption under our rules or a categorical exclusion under Federal Highways rules. The main reason we have not gotten many bridges done is because we have not had the funding to do these bridges. We have been keeping the bridges in serviceable condition as best we can with the limited funding available.

Councilmember Hooser: I would differ with you in terms that none of them will require an environmental impact statement. We do not really know that until we apply and it seems like many of those are historical in nature also.

Mr. Dill: Yes, but with our current bridges that have been taking a while, the historical bridges have not taken an EIS, they have been an EA.

Councilmember Hooser: I guess my underlying question is about capacity. I have other questions besides bridges.

Committee Chair Kaneshiro: I am going to continue with the follow-up on this. Councilmember Yukimura has a follow-up, and then I am going to go back to Council Chair Rapozo and go in a circle again.

Mr. Dill: Capacity is exactly the right question to ask. We have not had the financial or the manpower resources capacity to address a lot of these problems that we are trying to address with this funding.

Councilmember Hooser: I do not know if seven (7) bridges have been rebuilt in the State in the last three (3) years. In my experience, I know that it

takes a long time. They are all in sensitive areas, in waterways, and have many, many layers of regulation. Besides money, it is the capacity that actually does the work. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I notice that Waimea Swinging Bridge and Keapana Swinging Bridges are on there. Why is Kapaia Swinging Bridge not included?

Mr. Dill: We just did a major overhaul of that bridge. I am sorry—Kapaia Swinging Bridge?

Councilmember Yukimura: Yes.

Mr. Dill: I was referring to the Hanapēpē Swinging Bridge, which we just did a major overhaul on. The Kapaia Swinging Bridge is not on there because I think we have said at the Council before that that bridge is not accessible by any legal public means at present. At least for now, I do not feel comfortable including it on this list because it is not something that is legally available for public use.

Councilmember Yukimura: I thought you were working on that and getting easements to it.

Mr. Dill: We have been working on that with both the Kapaia Swinging Bridge Foundation and the landowner and we have not completed that process yet because that is a long discussion in another area, but the way we approach that may be changing, subject to everybody coming to an agreement on that.

Councilmember Yukimura: Okay. Where will you be with respect to bridges at the end of ten (10) years?

Mr. Dill: Where we will be with these seven (7)? With all the bridges on this list right here?

Councilmember Yukimura: Is it not your goal to bring all the bridges up to preventive maintenance standards?

Mr. Dill: That is certainly the goal for the roadways. For the roadways, we have done an exhaustive survey of the conditions of all the County roads, so we have good information on that. For the Federal Highways bridges, I can confidently say yes, that certainly at the end of these ten (10) years, all of our federal aid bridges will be in good condition. We do not have, at this stage, an exhaustive report on the condition of all of the non-federal aid bridges on Kauaʻi.

Councilmember Yukimura: Do you plan to?

Mr. Dill: With this, we see funding available for us to do a survey of the bridges, yes.

Councilmember Yukimura: Is that in your budget?

Mr. Dill: We have not budgeted that in the first two (2) years, but maybe that is something to consider for the first three (3) years.

Councilmember Yukimura: Okay, so your goal for bridges at the end of ten (10) years is that you are going to get your Federal Highways bridges in good condition, which what does “good condition” mean?

Mr. Dill: Biennial inspections have very...I do not have it with me...I do not know...I could not tell you, but they rate them from “excellent,” “very good,” or “good.” I am not sure exactly what the criteria are for that.

Councilmember Yukimura: But your target is “good” under the standards of the Federal Highways measurements.

Mr. Dill: Yes, all of the bridges would be at least in their “good” rating, yes.

Councilmember Yukimura: And you do not have a goal with respect to all of the other bridges. How many other bridges do we have?

MICHAEL MOULE, Chief of Engineering: Michael Moule, Chief of Engineering. It depends what you call a “bridge,” honestly. There are box culverts, which are concrete culverts, essentially, so those could be called bridges. Federal aid bridges are anything that is twenty (20) feet or longer. There are dozens, if not hundreds, if you include smaller box culverts like the one that was replaced on Waipouli Road last year. If you include bridges like that, the smaller box culverts or ditches under the road, there one hundred (100) or so, somewhere in that range. We do not know the entire count because we do not have them all inventoried at this time. The larger ones of those that are five (5) to twenty (20) feet—I do not have an exact number of those, but it is something in the order of probably fifty (50) or sixty (60) and there are a lot of small bridges on this island. One of the things that we want to be able to do and have funding to be able to do is to be able to have an ongoing program of repairing, and when needed, replacing all of those bridges, which is something that this County has not proactively done. We have actively done it, but not in a real proactive nature. That is one of the goals of being able to have funding to do this sort of thing.

Councilmember Yukimura: Well, if you want to do that, I would not recommend that you create more bridges and roads. Your goal is federal aid bridges in good condition and an inventory and an assessment of the condition of all other bridges.

Mr. Dill: Correct.

Councilmember Yukimura: Is that accurate?

Mr. Dill: Yes.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Actually, we will stay on the topic of bridges, and then we will go back to Council Chair Rapozo's questions. Councilmember Chock.

Councilmember Chock: Thank you. Regarding the listing for bridges that we have here, how many of these are at that phase where they are ready for reconstruction or maintenance? Where are they on the plan? Are all of them just waiting for money to start reconstruction?

Mr. Dill: 'Ōpaeka'a Bridge is already on the Statewide Transportation Improvement Program (STIP) and we have already been through planning and design with that one or we are close to the end of planning and design. That is why we are seeking funding that we will need for the County match for construction to match the Federal Highways fund in the next fiscal year. 'Ōpaeka'a Bridge is probably the closest. On the Niumalu Bridge, the Council has already appropriated funds toward that bridge...I am sorry...I mean 'Anini Bridge. That should be 'Anini Bridge II, which is the second bridge when you go down to 'Anini Beach. For that one, we begun to do technical consulting work for it and we have some funds appropriated for it, but I do not recall how much funding is in place right now, but we need to do design for that one still. Those are the only bridges where we have commenced any work on. We are going to have to start from scratch for the rest of them.

Councilmember Chock: Okay. Are we still projecting three (3) years to be able to complete all of these?

Mr. Dill: Yes. For some of them, we would not have to go through the federal process because they are not federal aid bridges, so that would make it quicker.

Councilmember Chock: Understood. Will each one be undertaken as a separate project with a separate contractor?

Mr. Dill: Not necessarily. If we have funding available, we might go out with a proposal for the consulting work to have them do them as a batch of bridges.

Councilmember Chock: My concern, which applies to roads as well, is that we have certain districts that has roads...is the plan to focus on one district so that you do not move other resources around, thus costing money, or are you having projects all over the island at once?

Mr. Dill: Certainly for the roads, we look to do them in bunches in a certain area to minimize mobilization costs. That would not be as applicable when it comes to a bridge project. We usually have one contractor per one bridge taken care of.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Any further questions on bridges?

Councilmember Kagawa: What is the status of the Hanapēpē Town Bridge? I know we had some problems with the State Historical Preservation Division (SHPD) or what have you, but is it on the next year's list? Where is that in our plan?

Mr. Moule: Michael Moule, Chief of Engineering. For the Hanapēpē Road Bridge, the one you are speaking of, we have a project to do some repairs to that bridge and it is already funded, so it is not listed here. It is one of the bridges that we have proposed for the ten (10) year term. After the repairs, we would not need to replace it in the first three (3) years of the GE tax. It is one of the bridges that are on our larger list of needs and it is likely one that we would move into somewhere in those ten (10) years, rather than beyond the ten (10) years.

Councilmember Kagawa: So these are only bridges that need to be replaced or is replaced and repaired all in the same bunch?

Mr. Moule: If you look on the bottom, you see replacement and repair. The ones on the left are actual names of bridges that we intend to replace within the first three (3) years of the funds, including three (3) of those being federal aid bridges of twenty (20) feet or longer. There are two (2) other federal aid bridges that we are going to replace prior to this that are already in the process and we already have funds set aside for it. On the right, those are total number of bridges in each of the districts that we are going to do preventative maintenance on during the first three (3) year timeframe. I think we are actually planning to do that in the first year, honestly. Throughout the ten (10) years, the idea of having an ongoing amount of money always goes to repair, and as needed, replacement of the smaller bridges, and then we would line item the larger federal aid bridges, if that makes sense.

Mr. Dill: I would also like to add a note that as I mentioned, a couple of the bridges are already in the process in moving forward with planning and design work. Should the Council approve this proposal and we see the construction funds coming, we will start now on some of those other bridges and begin the planning and design effort to make sure we can get these projects completed within the three (3) year timeframe.

Councilmember Kagawa: My final question is that I know before I came on and a couple of years before that, like five (5) years ago, we had a surplus of fifty million dollars (\$50,000,000) plus. Did we repair any bridges or replace any bridges five (5) years ago until now?

Mr. Dill: For the past five (5) years, we have not. We have done some temporary repairs, which is the best I can say we have done.

Councilmember Kagawa: Okay. Thank you, Chair.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just a follow-up on Niumalu Bridge, is that going to be a replacement for a continued single-lane bridge? Does it have a walkway as well?

Mr. Dill: Since we have not gone through the process with the community that would involve community input, if I had to predict right now, I would say that it would be very similar to the bridge that is there today, except that we would not want to have the weight restrictions on it. We have to go through the community process right now in order to establish the final configuration of the bridge.

Councilmember Chock: Okay. We just had a community meeting this past week and that was one of the concerns.

Mr. Dill: Yes, I heard the concerns.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Just a quick question, I cannot remember the last time the County built a bridge. When was that and how long did that take from start to finish?

Mr. Dill: It was prior to my time, so I do not have the details on that. I believe it might have been the Kilauea River Bridge on Kolo Road perhaps. Then there was Olohena. I am not sure which was more recent.

Mr. Moule: I have the list here. Olohena was replaced in 2005 and Kilauea Bridge in 2009. We did a ford crossing on Hoala Road in 2010, which is kind of a bridge, but it is not a long span. In 2004, the 'Ōma'o Bridge. So in early to late 2000s, there were some bridge reconstruction, but there was a period of time where there were no bridge projects being developed, but that changed several years ago and as Larry mentioned earlier, we had three (3) bridge projects in development over the last several years, one of which we are going to Notice to Proceed to the contractor next week; the other of which was next year; and the third of which is 'Ōpaeka'a Bridge, which is up there on the screen for the following year.

Councilmember Hooser: So with the ones we have already done, how long did it take from start to finish?

Mr. Moule: I do not have an answer for that.

Councilmember Hooser: I am trying to get some capacity context.

Mr. Dill: Yes, I do not have an answer for that. I can tell you for instance the bridge that we are going out right now...at least ten (10) years. That was a project in looking at it now with 20-20 hindsight prior to our time may not have been managed as well as it might have. They had to actually return the moneys back to the Federal Highways Administration that was received because they did not get through the environmental process properly.

Councilmember Hooser: Okay. I am not questioning the need to do the bridges. It is just that doing ten (10) bridges in three (3) years does not seem reasonable.

Mr. Moule: I can try to address the question by estimating how long it does take with a process that is continually moving and not pausing along the way. For a federal aid bridge, I would estimate that it is going to take about three (3) to four (4) years to get it from conception to construction. It could be accelerated to two (2) years, which we are trying to do for the 'Anini Bridge II, which is a federal aid bridge. We are in the process of selecting a geotechnical consultant to figure out how to replace that bridge. The next federal aid bridge on it that is almost ready to go is the Kōloa Road Bridge in Kōloa Town. I think we have scheduled in the third of these three (3) years, which is 2020 so that gives us four (4) years if we start now, which is our goal, to move forward and get that bridge ready to go. The other four (4) bridges on the list are smaller bridges that do not have to go through the federal processes in the same way, which can be done in one (1) year, potentially. Two (2) is longer, but the process of getting a design done for these smaller bridges...some of them are fairly small and they are much simpler to design, so it could be much faster.

Councilmember Hooser: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: You said that you are planning to do preventative maintenance for list on the right hand side.

Mr. Dill: Well, it is not all preventative. It is a lot of reactive maintenance. There are problems with some of those bridges for repair. As Michael kind of alluded to, our goal would be to create a bridge asset management program with these moneys by inspecting and creating an inventory of all of the bridges and beginning to do more preventative repair stuff. A lot of the existing repairs that need to be done are not preventative maintenance repairs.

Councilmember Yukimura: Okay. I was going to say "bravo" for getting to preventative maintenance. I hear that you have that as a goal. My question is if you use all of these moneys to do what you are planning to do, how are you going to do preventative maintenance of bridges after ten (10) years?

Mr. Moule: As the Finance Director stated a moment ago, (inaudible) would have to go away, but I think honestly from the bridge point of view, we or whoever is here at the time, would need to move towards making sure that that program stays in place because it is a critical program. We are way behind. The State is behind on this island as well. It is something that we hear at the State HDOT level. Both the State and the County of Kaua'i are behind in replacing bridges and they recognize the need to get up to speed, but bridges have to be continually inspected and maintained. We are doing that to some degree now. We need to do a better job, as we have said, on the smaller bridges and we need to make sure that eight (8) or ten (10) years from now, that looking to see what needs are five (5) to ten (10) years from then, we would need to program those funds and ask for funds if these funds are running out.



Mr. Dill: On the roadway side, we have done inventory and we have created a program and we know what funding is necessary now. We have a much better handle on that. With the bridges, we are not that far along. In a development of that asset program, we would be able to identify what funds (inaudible).

Councilmember Yukimura: I totally concur with those goals. My question is why are you not asking for a recurring source of funding that would enable you to continue your plan?

Ms. Nakamura: Councilmember Yukimura, can I just point you to "Attachment F" in your plan?

Councilmember Yukimura: Thank you.

Ms. Nakamura: There are two (2) pages to "Attachment F," and on the second page in the middle, it is broken down by year. The top portion, top third, are 2018 projects.

Councilmember Yukimura: I see.

Ms. Nakamura: The middle section is 2019 projects and the bottom is 2020 projects. At the end of the 2019 projects is annual funding for preventative maintenance of federal aid bridges and repair and replacement of small non-federal aid bridges. That is one million dollars (\$1,000,000) in 2019, and then at the end of 2020, there is another one million dollars (\$1,000,000) that has been programmed for the preventative maintenance portion and I believe that is the program that we want to put in place, so that would be an ongoing asset management function.

Councilmember Yukimura: Okay. I hope you are doing that for the bus as well. You have here fifteen million dollars (\$15,000,000), but in your spreadsheet you had ten (10). Can you explain why?

Mr. Dill: Which spreadsheet are you referring to with the ten (10)?

Councilmember Yukimura: Your expenditures spreadsheet. Excuse me, I was looking at your auto shop. Okay. Where is the fifteen million (15,000,000) on the spreadsheet?

Mr. Moule: It is on "Attachment B"...

Councilmember Yukimura: For three (3) years. Okay. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: If I read that slide correctly, you are saying that in the first three (3) years, we are going to replace nine (9) bridges and we are going to repair twenty (20).

- Mr. Dill: There are seven (7) on the left hand column.
- Council Chair Rapozo: Seven (7)—I am sorry. So repair twenty (20)  
in the first three (3) years?
- Mr. Dill: Correct.
- Council Chair Rapozo: How much was the ‘Ōma‘o Bridge?
- Mr. Moule: I do not know.
- Council Chair Rapozo: Somebody needs to know that, somebody has  
to know that. I am not talking about you because you were not even here, but for  
whoever was here, somebody needs to be able to tell me a ballpark amount.  
Somebody needs to make a phone call, I guess, is what I am trying to say. How  
much was Olohena?
- Mr. Dill: I do not have information.
- Mr. Moule: We do not have those records with us here.  
We have them in my office so we can find out.
- Council Chair Rapozo: What about Kīlauea? Somebody has to  
remember that.
- Councilmember Yukimura: Eighteen (18).
- Council Chair Rapozo: You remember eighteen million dollars  
(\$18,000,000)? I am thinking eighteen million dollars (\$18,000,000). I am thinking  
Olohena was about five million dollars (\$5,000,000). We are talking ten (10) years  
down the road. We are talking inflation, cost of living, cost increases for material  
and labor. I am not talking about just three (3) years; for the entire ten (10) year  
period, we are going to get to all of these bridges with thirty-eight million dollars  
(\$38,000,000). Is that what you folks are saying? I am looking at “Attachment B,”  
which are bridges federal aid and bridges non-federal aid. This is basically on the  
condition that we receive federal funding. Right now in this spreadsheet for ten (10)  
years, we are looking at thirty-eight million four hundred thousand dollars  
(\$38,400,000) to do all the bridgework. History tells me that these bridges cost a lot  
of money.
- Mr. Dill: Those two (2) bridges that you identified are  
costlier than the ones we currently have, for instance the three (3) Kapa‘a historic  
bridges we are looking at. What is the bid contract amount for the Kapahi Bridge?
- Mr. Moule: The budget on that was one million seven  
hundred thousand dollars (\$1,700,000).
- Mr. Dill: So we are doing Kapahi Bridge for one  
million seven hundred thousand dollars (\$1,700,000).

Council Chair Rapozo: Okay.

Mr. Dill: Many of these bridges are smaller bridges.

Council Chair Rapozo: So you folks are confident that thirty-eight million four hundred thousand dollars (\$38,400,000) is sufficient? That is conditional, right? That is if we get federal funds. If we do not get federal funds, we have to put the money in. You have looked at these projects individually and adjusted it for inflation and everything else and you think that thirty-eight million four hundred thousand dollars (\$38,400,000) would be sufficient?

Mr. Dill: We have done a closer look at the first three (3) years. I cannot really represent to you that for the last seven (7) years that thirty-eight million dollars (\$38,000,000) will cover it.

Council Chair Rapozo: When you submit the spreadsheet like this, it tells me that this is what you are saying.

Mr. Dill: Our estimates, the further out they get, the less confidence you can have in them.

Council Chair Rapozo: That is scary, but that is true and I am glad you are honest. Thank you. That is all I have for bridges.

Committee Chair Kaneshiro: Any further questions on bridges? I will open it up to any other questions regarding the presentation. We can talk about roads or transportation? Any questions on roads? Council Chair Rapozo.

Council Chair Rapozo: It is a similar question to what Councilmember Hooser asked about the bridges and its capacity. Do we have the capacity? Right now, if you look at "Attachment B," help me understand this spreadsheet. If you look at the very top, the point five percent (0.5%) is what the GET would generate for the first six (6) months, the seven million seven hundred thousand dollars (\$7,700,000).

Mr. Dill: Correct.

Council Chair Rapozo: The next line, which is local roads and resurfacing and reconstruction, are roads that are not subject to federal funding.

Mr. Dill: Correct.

Council Chair Rapozo: So you are saying that in the first year or the first six (6) months, the two million one hundred forty-four thousand dollars (\$2,144,000) would be for the local roads. In the collector roads resurfacing and reconstruction, those are the roads that qualify for federal funding and we are saying that we are going to take four hundred twenty-eight thousand eight hundred dollars (\$428,800) from the GET revenue and we are going to leverage that against one million seven hundred thousand dollars (\$1,700,000) of federal money. Is it just a coincidence that the GET number from the local roads is identical to the total budget for collector roads?

Mr. Dill: No, that is intentional.

Council Chair Rapozo: So you folks are basically saying that you are going to do 50/50?

Mr. Dill: Yes. The basis for that...as you have heard the number that (inaudible) about the one hundred million dollar (\$100,000,000) backlog in road repairs—when you look at those numbers and parse them, about half are local roads and half are collector roads.

Council Chair Rapozo: Okay, so I guess the question is how do we envision making these roads happen, the paving of the roads? What will be different? Again, you are looking at federal roads projects and we are talking about ten million five hundred thousand dollars (\$10,500,000) of GET revenue and we are leveraging that with basically almost four (4) times the amount in federal money. What happens if we do not get the federal money? What happens if over the next ten (10) years, which we do not have a clue on what is going to happen in the next ten (10) years—what happens if that does not pan out? What if we do not get the forty-two million dollars (\$42,000,000)? What are the chances or percentage of success, in your opinion, of getting that money? I think the public needs to understand that it is going to come not just from the one-half percent (0.5%), but at some point is going to come from property tax or any other tax that we charge. I guess the first question is how sure are we or what is the percentage that we will even get the forty-two million dollars (\$42,000,000) to match with the ten (10), and then the second question is, what makes the next ten (10) years...if you look at the amount of funds for resurfacing, five million dollars (\$5,000,000) to six million dollars (\$6,000,000) a year, what makes that different from the last four (4) or five (5) years, as far as the County paving roads and what we have expended in paving roads?

Mr. Dill: Firstly, if the Federal Highways funds are not available, that leaves us, if you look at the total over ten (10) years, with sixty-two million dollars (\$62,000,000) in resurfacing funds. Our intent would be, because our needs are about 50/50 between the local and the collector roads, to split that amount 50/50. That would still be well ahead of the current rate that we are funding on roadway resurfacing projects, so we would be far ahead of today still, but it is a fair question to ask about the possibility of Federal Highways funds. I am not going to be able to quote you a percentage, but I have run this informally by HDOT, who implements the Federal Highways program in Hawai'i and they said that this overall program on this spreadsheet is not unreasonable to anticipate this level of funding. Of course there are no guarantees, but we have done the preliminary step. What was your second question?

Council Chair Rapozo: I just had two (2). That was the first one. The second one was what Councilmember Hooser brought up about the bridges' capacity. What is going to be different in the next ten (10) years that we could spend five million dollars (\$5,000,000) to six million dollars (\$6,000,000) in resurfacing over the last four (4) or five (5) years?

Mr. Dill: The difference will be the resources, having the funding, and having the positions, is the short answer to that question. We have been wrapping up the Engineering Division. In the past, they have been limited in their capacity to put up projects like this. We have been building up that capacity, which is why we recently had two (2) Islandwide Resurfacing projects and we are working on the next ones now for the next fiscal year.

Council Chair Rapozo: You have had the funding in the last four (4) years or so. We did not pave because we did not have funding.

Mr. Dill: As the funding has been available to us, we have been getting those projects out. You probably recall that when I came on-board, we had not put out a resurfacing project for some years, and the Council continued to appropriate funds, so there was a pot of money. We got that project out and we had a big five million dollar (\$5,000,000) resurfacing project happen all at once. Since that time, we have kept up with the one million two hundred thousand dollars (\$1,200,000) of appropriations to get road projects out so that is happening, which is done in conjunction with...thanks to Michael's leadership along with the Engineering Division, we are upgrading the capacity of engineering to get these resurfacing projects out because there are some minor design work involved in getting plans out. As we do that ourselves, that accelerates that process. Part of it is increasing the capacity of engineering and getting these positions that were mentioned earlier in the presentation.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: In looking on page number 3, there is a summary of expenditures that says seventy-five percent (75%) or one hundred ninety-one million dollars (\$191,000,000). I am assuming that this is one hundred ninety-one million dollars (\$191,000,000) over the ten (10) year period goes to repair and resurface, repair bridges, aging equipment, vehicle repair shop, plan and design, and construction of new roads. How much of this in terms of percentage or dollars is for new roads?

Ms. Nakamura: You can take a look at "Attachment B."

Councilmember Hooser: Okay.

Mr. Dill: I do not have a percentage for you, but there are dollar amounts shown here.

Councilmember Hooser: Okay, what would the total dollar...

Mr. Dill: Okay, so the top section with the first yellow highlighted total, "County Roads Resurfaced/Reconstructed," we show one hundred five million dollars (\$105,000,000) and that is it as was discussed a moment ago, roughly sixty-two million dollars (\$62,000,000) in GET and the remainder forty-two million dollars (\$42,000,000) in Federal Highway funds.

Councilmember Hooser: So sixty-two million dollars (\$62,000,000) towards new roads?

Mr. Dill: No, for resurfacing existing roads.

Committee Chair Kaneshiro: Sorry, is it fifty-two million dollars (\$52,000,000) or sixty-two million dollars (\$62,000,000)?

Mr. Dill: It is fifty-two million dollars (\$52,000,000) for the local roads and ten million (10,000,000) more for the collector roads.

Councilmember Hooser: My question is how much for new roads?

Mr. Dill: If you look down...

Councilmember Hooser: What page are we on again?

Ms. Nakamura: "Attachment B."

Councilmember Hooser: "Attachment B?"

Ms. Nakamura: There is a spreadsheet that you pull out.

Councilmember Hooser: Okay.

Mr. Dill: Just to revisit quickly, Councilmember Hooser, up at the top, the first yellow line highlighted, "Total County Roads Resurfaced/Reconstruction," is one hundred five million dollars (\$105,000,000). Out of that one hundred five million dollars (\$105,000,000), I guess ten million five hundred thousand dollars (\$10,500,000)...sorry...forty-two million dollars (\$42,000,000) are Federal Highways funds and the rest, which would approximately be sixty-three million dollars (\$63,000,000), would be GET funds for resurfacing.

Councilmember Hooser: Right now, I am only interested in the new roads.

Mr. Dill: Okay. In the new roads, which if you go to the fourth yellow highlighted line, so new transportation initiative and projects, that is totaling about eighty-one million dollars (\$81,000,000).

Councilmember Hooser: Over the ten (10) years?

Mr. Dill: Correct.

Councilmember Hooser: The first year looks like it is one million dollars (\$1,000,000), then two million dollars (\$2,000,000). Is that what that means? It is in a little red box.

Mr. Dill: I beg your pardon?

Councilmember Hooser: It says "New Transportation Initiatives & Projects" for 2018 is one million one hundred three thousand three hundred fifty dollars (\$1,103,350).

Mr. Dill: Correct.

Councilmember Hooser: That is what you are planning on spending on a new road in 2018?

Mr. Dill: Correct.

Councilmember Hooser: It goes from there to eighty-one million dollars (\$81,000,000) over ten (10) years.

Mr. Dill: Correct.

Ms. Nakamura: Just to clarify, too, there are some details that might be helpful in this regard. If you take a look at "Attachment F," we have some details. The new road transportation projects are outlined here on the second...if you take a look at "Attachment F," on the second page. Within the Department of Public Works, Engineering Division, these are the projects that they have identified for the first three (3) years. Now in terms of new roads, I do not see any new roads in the first...

Committee Chair Kaneshiro: We are on "Attachment F" on page number 2.

Councilmember Hooser: No new roads?

Ms. Nakamura: In the first year, the focus is really on the preventative maintenance of bridges and roads. For the second year, the focus is on bridges, roads, and some sidewalks. It is the third year that if you take a look at...let us see...I thought there was one in here.

Councilmember Hooser: It looks like it bumps up to fifteen million dollars (\$15,000,000).

Ms. Nakamura: There is something in here for the Wailua Houselots in Kawaihau District, a connection to the bypass road. If there is a new road in the first three (3) years, that is one of the projects because there is currently design funds in our CIP Budget that the Council approved. That is why this project may be further along.

Councilmember Hooser: Okay. The people that I talk to out in the community are most concerned about the roads and traffic. While potholes are a concern, too, but it is about traffic, traffic, and traffic. While we need all of these roads repaved and all of these bridges redone, that will not impact traffic one bit, I do not believe, so we do not start building new roads until 2021 or so with the way this goes. Looking at the State Highways Traffic Plan for 2014, it shows from Kawaihau Road, all the way to the Tunnel of Trees, that the level of service is the lowest it could possibly be, almost the entire route; it is an "F" all the way through there, and we know that and we drive in it every day. I think the public is thinking

that we spend two hundred fifty-five million dollars (\$255,000,000) that is going to impact traffic and I do not believe that is the case. So that is my question. Ten (10) years from now, are there any metrics or any predictions after we spend two hundred fifty-five million dollars (\$255,000,000), what the level of service on these highways is going to be?

Ms. Nakamura: It is a good thing we have our future “State Highway Engineer” to my right.

Councilmember Hooser: Okay. Again, the public thinks we are going to spend all of this money and we are going to get rid of the traffic and I do not think that is the case.

Mr. Dill: That is a good point, but from my perspective, it is a mischaracterization of the purpose of this GET proposal. To me, this is an opportunity...this Council has spoken before about the one hundred million dollar (\$100,000,000) backlog in repairs. We are certainly looking at the first few because developing a new road takes time. You have to go through a planning, environmental, and community outreach process before you get to the design and permitting before you get to construction. That is one of the reasons why we do not show a lot in the first few years because it is going to take a while to get there. The reality is that a lot of this effort is taking care of the backlog of deferred maintenance that has not been adequately addressed for decades. This is not, to my way of thinking, primarily an issue or initiative to address traffic congestion, but that it is a maintenance issue. There will be some traffic congestions that we are trying to address as well with it, but that is not the focus of this initiative. I did not check with my boss before I said that.

Ms. Nakamura: To me, I think the other piece that the public does not understand is the jurisdictional issues between the State and the County and what we can do. I think we have to educate the public on the different projects that the State Department of Transportation is working on, especially in the Kawaihau District, because those are significant projects that I believe we are being told will make an impact. But these are projects that are on the books that are moving forward that have been funded and some of them have been held up because of environmental and cultural studies, but are moving forward. For example, the addition of the lane between Wailua Bridge and the bypass in front of Coco Palms, that additional lane, plus the lighting improvements and so forth. Signalization will make a difference, and then the funding that the Legislature approved last session that extends the Kapa’a bypass road, that one section that is only one way going south, the addition of that additional lane going north. Those are two (2) major projects. That is why in our plan, if you take a look on page number 5, section 4.6, you will see connectors between neighborhoods and Kapa’a temporary bypass road and connector between Kūhiō Highway and Kapa’a temporary bypass road—that is where the County can make a difference in relieving congestion on the highway, but we do not have jurisdiction over the highway itself. So that is where we could provide relief.

Councilmember Hooser: Like you said, I think this has been mischaracterized, not to anyone’s fault, but it is just that traffic is on the forefront of everybody’s mind and they say, “Okay, let us go ahead and raise this tax then



that will get rid of traffic,” but I just want people to be clear that this is not going to get rid of traffic.

Ms. Nakamura: I think in working hand-in-hand with the State, we can work on some of the possible traffic relief.

Councilmember Hooser: The State initiatives are separate from this. If they happen, they happen, and I hope they do. Again, I believe it has been a mischaracterization of the impacts of this measure. We will have some relief to public transportation, but when you add the growth—that is why it would be interesting to have metrics with projected growth and traffic mitigation, and will they ever catch up or not? I just do not want to mislead the public to have them think that if we raise the taxes it is going to be a “silver bullet” and they are going to be out of Kapa‘a traffic in the near future. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: My question is about sidewalks, but just as a follow-up, have we and can we start that process for the feeder roads sooner? Because as the concern is being mentioned, this is what people are looking for and it would help the cause if people can stand behind it if that is part of what we are saying we can do at a sooner date.

Mr. Dill: You are talking about the feeder roads that we were talking about with the connectivity?

Councilmember Chock: Yes.

Mr. Dill: In the presentation that was done, I think it is the same one that is listed under the section that was just read off there. The ones that are identified on slides number 18 and number 19...

Mr. Moule: It is the same as page number 5.

Mr. Dill: Okay. These are at various stages. If I look at Kīlauea New Town Entry road, we have had discussions with both the community and the Department of Transportation about that project. While that has not moved forward firmly in any way, it is on the radar and more so because we have been discussing alignments and funding for that. The next two (2) projects have come out of Kapa‘a Transportation Solutions project, so an early community outreach has happened for that, as well as some discussions with DOT and Federal Highways about both of those. The connector between Kuamo‘o Road to Ma‘alo Road is the only discussion that we had that is kind of a resiliency project to provide an alternative way to get around the Wailua River in the event of an emergency down at the river mouth where the Wailua River Bridge is. For Lihū‘e Mauka Road, we did a feasibility study that was funded by Federal Highways and for the northerly leg of the Kōloa Western Bypass, we have actually gotten all the way through and completion of acquisition of the land and the environmental work. I think the next page would be design on that one, so we are well down the path of that project.

Councilmember Chock: Okay.

Mr. Dill: That project is just waiting on funding.

Councilmember Chock: So we have started the process, but we still anticipate at the earliest, the first road to be started on in four (4) years. Is that correct?

Mr. Moule: The absolute earliest. We were talking about capacity earlier on. We did not add these projects for the first three (3) years because they cannot be done. There is no way we can bring this to construction in three (3) or four (4) years.

Councilmember Chock: That is what my question is. My other question is that I see there are seven (7) sidewalks projected mostly in the Waimea District in the first three (3) years. Do we have an understanding of the total amount of sidewalks we intend to construct in the ten (10) year period with the money that is being proposed and how do we decide which roads have a sidewalk or not?

Mr. Dill: I assume you are looking at "Attachment F."

Councilmember Chock: Yes.

Mr. Dill: Okay, so if you look at far right hand column and follow the source, those are all acronyms. I am not sure if you have the acronyms. Those represent the public vetting or community outreach process that they have gone through. If you look at the previous page, there is an explanation of all of the acronyms there. So every one of those sidewalk projects identified has been discussed to some degree with the public and is included in some sort of a plan for construction and implementation.

Mr. Moule: To answer your question regarding what sidewalks projects we have planned for the next ten (10) years, we have not planned that. We have listed some of the sidewalk projects that are in the much larger list. Several meetings ago, we came to you with a laundry list of all projects that we could identify in any planning document, which there is no way we could fund all of those in ten (10) years, maybe in twenty (20) years, but there is a full list of that. One of the things that we need to do and will do before we go very far down the road in planning future projects is prioritization and an effort with the public and each district and maybe overall try to prioritize which of those in that huge laundry list of projects, whether it is sidewalks or otherwise, should be built in the near future or in the next ten (10) years. We have not gone beyond the first three (3). Even with these first three (3), what is in this first three (3) years for sidewalks are the ones that we, based on our knowledge of these planning documents, see as the higher priority, but we have not gone through a formal prioritization process. That is why this is all subject to change because it could change as we go through the prioritization process and start meeting with the communities to make sure that that community actually wants sidewalks on their streets that are identified in the planning documents that listed these projects.

Councilmember Chock: I just want to repeat what I heard. Of the seven (7) that I see, those have not been vetted yet with the community as to whether or not they will be completed in first three (3) years?

Mr. Moule: They were listed in planning documents that have gone through community processes and through the Council; however, they have not been specifically vetted as projects. We have not even necessary vetted how those designs are going to look, what is the width available for sidewalks, and how they are going to be built. There is a huge level of effort that needs to take place with any of these projects. We want to get started on that, but first we need some funding.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Those projects will need to come in front of us also when you are going through the planning stages, right?

Mr. Moule: Absolutely.

Ms. Nakamura: Just as a follow-up and example of the Moi Road project, a sidewalk from Kaumuali'i Highway to Hanapēpē Heights—it has not come up in a formal document or plan, but at every community meeting that the Mayor has attended, residents from the area have asked for that type of assistance to get up the hill.

Councilmember Chock: Thank you

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Now that you mentioned Moi Road, I am looking at this spreadsheet and it is one hundred twenty thousand dollars (\$120,000)? Moi Road sidewalk to Hanapēpē Heights, ending at Ali'i Road, which the community has been asking for as long as I have been on this Council—one hundred twenty thousand dollars (\$120,000) is what the estimate is?

Mr. Dill: That is correct.

Council Chair Rapozo: Then why in the world have we not done that? I thought there were other problems with it like Americans With Disabilities Act (ADA) or whatever the case may be, but one hundred twenty thousand dollars (\$120,000)? I was just asked that the other day, "Mel, when you are folks going to take care of that sidewalk so that I can walk there?" It was a senior citizen. I said, "I do not know. We have asked since Bryan was the mayor." Anyway, my question is section 4.6 on page number 5—where is the funding? Which attachment would reflect the new projects?

Ms. Nakamura: If you take a look at "Attachment B"...

Council Chair Rapozo: "Attachment D?"

Ms. Nakamura: "Attachment B," under this yellow section called "New Transportation Initiatives and Projects." It is a total of eighty-one million dollars (\$81,000,000) over ten (10) years.

Council Chair Rapozo: Okay.

Ms. Nakamura: At this point, we have not budgeted for any of these projects in the first three (3) years for the reasons Larry and Michael mentioned earlier, that we need to go through a prioritization process and figure out which one of these are the Council's priorities and which ones you think might relieve the most traffic and provide some relief for our residents. That is the conversation that we need to have if this funding goes through. It would be interesting to hear your thoughts.

Council Chair Rapozo: We know that the State told us that the alternative route is off the books. Mr. Sniffen was here not long ago and said that is no longer even being addressed.

Ms. Nakamura: The Kapa'a-Wailua bypass road?

Council Chair Rapozo: Correct. I heard it again today that that is not our responsibility and that it is the State's responsibility and I agree that highway is the State's responsibility, but is it the Administration's position today that looking at other alternative routes that does not include the State—I think we definitely need to try to work with State. Let us just say the State is absent and they are not participating; is it the Administration's position to not start that process with some other alternatives? I am not hearing that and it concerns me because I keep hearing that it is the State's issue and it is not, but what are we planning to do as far as alleviating the traffic? The people I talk to on the streets think that these moneys are going to alleviate congestion, but the truth is that it is not. I do not know if the media is here today, but I think it is important that the public understands that this is not going to alleviate congestion and it is going to cost a lot of money. In the next ten (10) years, what is the Administration looking at doing to address that congestion in Kapa'a and the west side?

Mr. Dill: The traffic through Kapa'a and the east side is through the Kūhiō Highway corridor and through the Kapa'a Transportation Solutions project, it was confirmed that most of those solutions rest on the State's shoulders. The County also identified other connectivity projects that we can do to help alleviate congestion by keeping it off the highway and that is some of the things that we are looking at with the connectors between neighborhoods and the Kapa'a temporary bypass, so we are working on those and including that in our proposals here. The fourth one, the connector between Kuamo'o Road and Ma'alo Road is a down-sized version of the State's Kapa'a Relief Route where we would seek to take advantage of existing cane haul road alignments to improve those to provide an alternate way to get between Līhu'e and the Wailua-Kapaa area. That is one that we are looking at.

Council Chair Rapozo: That would include a bridge over Wailua River?

Mr. Dill: Smaller bridges, yes. Not as significant as the alignment that the State was looking at. Way further north, so there will be crossings (inaudible).

Council Chair Rapozo: You would have to have a crossing at some point because you have to cross Wailua River.

Mr. Moule: There would be two (2) bridges over each of the forks of the Wailua River, way *mauka* on what is currently State land, but not where it is a navigable river. It is much further than that.

Council Chair Rapozo: Right.

Mr. Dill: There are existing bridges there where the cane haul roads are, but we would have to improve those but nearly as significant and as costlier an effort than what the State was looking at.

Council Chair Rapozo: Thank you.

Ms. Nakamura: To follow-up on your question, Council Chair Rapozo, the State Department of Transportation also mentioned the opportunity of converting the emergency Wailua bypass road into a permanent bypass road and we may want to think about if that is a priority for this County, then do we want to look at some sort of County-State partnership using these GET funds to move that along or to make it happen sooner or if there is a way to partner?

Council Chair Rapozo: I guess I would assume that you realize in next ten (10) years that the population on Kaua'i will increase. Is that something that you would agree with? That the number of vehicles would increase in the next ten (10) years? Whether we like it or not, that is the reality. I think the public has already spoken as to what they want. I think we all know that the public wants to alleviate the congestion in that corridor. I do not know what more assurance we need other than just having to talk to the people. The west side is another concern because we do not have as many options. Anyway, those are just my thoughts. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Just to follow-up on what has been said, would you agree that as you guys deal with the public, the major concern about roads and what have you is vehicular traffic coming in from Kapa'a and coming in from the west side into Lihu'e traffic congestion. That is what we are hearing and I am the third Councilmember that brought this up, so I am wondering if you folks have been hearing the same thing.

Mr. Dill: Absolutely. There is also a big concern about the conditions of the roads. I think that when we did our surveys at the County Farm Fair every year, I think it was roadway conditions that came back as the number one concern. Certainly condition of the roads and traffic congestion are both significant issues.

Councilmember Kagawa: I know that Joe has experience in working with the State, and I know it is true for the first fifty (50) because I have been alive for fifty (50) years, but has our roads in the State highway system basically been the same from Kekaha to Līhu'e and from Hā'ena to Līhu'e for the past eighty (80) years?

Mr. Dill: I would defer to Mr. Rosa because I do not have the background.

Councilmember Kagawa: We have not had many upgrades. We only had Ahukini and a couple of widening projects here and there, but it has basically been the same for eighty (80) plus years. Why would the State Legislature, our delegation, want to get us to address the residents' number one problem of traffic congestion and say, "Council, even though you do not have anything to do with the traffic congestion, we want you to tax other residents by one-half percent (0.5%) more." Why does the State Legislature not do it, as Joe said, take responsibility and take care of the number one problem?

Mr. Moule: Is that a question for us?

Councilmember Kagawa: Yes.

Mr. Moule: The State Legislature has. They have funded the second southbound lane between the bypass and river, which last I heard, they are looking to have that starting construction next year sometime. Last fall, as Nadine mentioned a minute ago, they funded the last leg of the bypass from the roundabout back to the highway. They have funded the two (2) most important improvements that came out of the Kapa'a Transportation Solutions study and I think they are partners on this and we are working very close with them all of the time to try to make sure that we and them are doing what we can to make this work. They have projects proposed for going west as well from here to the Tunnel of Trees, trying to widen roads or fix those roads. The challenge is the significant cost. We have talked to them about trying to do something in the interim to improve congestion without actually widening. There are significant costs, hundreds of millions of dollars just by widening the Tunnel of Trees.

Councilmember Kagawa: But the significant costs issue is their problem, right? So why are they trying to get us to tax the people and take care of the traffic congestion?

Mr. Moule: As we have said earlier...

Mr. Dill: I think that is a question for the representatives to answer.

Councilmember Kagawa: My second question, and this was the one that you kind of got me where I said, "We have to do something"—I do not think in your presentation you explained the condition of the roads now and as one Councilmember said, "It is minor with a few potholes here and there," but actually when I discussed individually with you folks, you said that if a lot of these roads, although it may seem that it just has a few potholes here and there, that if we do

not fix it in the real near future, it is going to mean total reconstruction, which is a significant loss to the taxpayers because we are ignoring a problem that we know is going to just multiple tenfold. I do not know if you can elaborate on some of those problems that appears to be okay now, but if we do not attack it now, it multiplies tenfold in a couple of years because you are going to have to totally redo the road and base costs and what have you.

Mr. Dill: Thank you. That is a great point and a great question. It is our goal to get all of our roads in the County of Kaua'i, all of our County roads anyway, into a preventative maintenance program status. That would mean that we are regularly treating those roads with some sort of treatment on a regular basis in order to extend the life of that road. The challenge we have right now is because of our limited resources, we defer and defer repairing roads. So the roads get into such a poor condition that by the time we get around to fixing it, usually we are talking about a lot of total reconstruction. What we want to do is get into a situation where we have a road that is reconstructed, then we come back, maybe in five (5) years, and instead of having to do reconstruction in five (5) years, we can do a slurry seal because asphalt pavement tends to lose its fines over time. It is not readily apparent that that road is losing its integrity, but that is the first thing that begins to happen. If we slurry seal it again and keep the water intrusion out, that will extend the life of the road. We want to get into a regular cycle of asphalt repair work for every road where we do maybe a slurry sealant in five (5) years and another slurry seal in five (5) years, and then we do an overlay after fifteen (15) years. Instead of doing nothing for fifteen (15) years, and then we might have to do a total reconstruction. That would serve to extend the lives of those roads before we have to get to the total reconstruction and it will lower our overall life cycle cost. That is the goal of that program in a nutshell.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Bravo. I appreciate that the Administration now has a plan and also a commitment to maintaining our roads. The only thing I disagree with is your funding source. I want to go back to the issue of traffic congestion because I believe that is the most important issue to the people of Kaua'i now. Which one of those are going to actually improve the traffic congestion between Kapa'a and Lihu'e?

Mr. Moule: There are three (3) projects on this list that will have some affect. The Kapa'a Transportation Solutions study, however, as I think you are aware, showed that the effects for any of these are relatively small, which is why the State's projects came up so high on their study, but the three (3) projects are the two (2) on the bottom here, the connector between Kūhiō Highway and Kapa'a temporary bypass, would alleviate the need of traffic needing to use Kūhiō Highway in Kapa'a in the areas where it is congested, somewhere between the south end of the bypass and the core of Kapa'a Town and some sort of connection from there to the bypass. The next one below that, the bottom one there, connects between neighborhoods and Kapa'a temporary bypass, so potential connectors from the bypass to say Wailua Houselots to Olohena Road, up towards Kaapuni Road and Wailua Homesteads, would give people routes to get to where they want to go without getting out onto the highway. For the connector between Kuamoo Road to Ma'alo Road, this one is very challenging from a cost and

environmental point of view, even though it is on existing roads, but that one could also relieve congestion...it is alternate route between Wailua and...

Councilmember Yukimura: I do not believe it is a practical route. People will not use it. They might use it in an emergency, so I agree it is an emergency route, but let us not talk about it on a daily basis affecting traffic congestion.

Committee Chair Kaneshiro: I do not want to get into a debate on it.

Councilmember Yukimura: Those are the three (3). I am just talking about...

Mr. Moule: The ones on this list?

Councilmember Yukimura: Yes.

Mr. Moule: The Līhu'e Mauka Road will have some effect, but again, it is mostly for the Līhu'e corridor, not the connection.

Councilmember Yukimura: So what I read from the Kapa'a-Wailua Temporary Solutions Study is that all of the combined State and County improvements are going to improve the traffic congestion between Wailua and Kapa'a slightly above the condition where you assume no contraflow. Is that correct?

Mr. Moule: I could not speak to that exact element of the study.

Councilmember Yukimura: I believe you all submitted testimony questioning that. If it is a little improvement over no contraflow, it is not any improvement at all.

Committee Chair Kaneshiro: Councilmember Yukimura, again, I do not want to get into a debate.

Councilmember Yukimura: Their burden is to show that there is going to be some relief in traffic congestion, so the one traffic congestion relief that will happen is with the bus. Is it not? So building new roads...

Committee Chair Kaneshiro: Councilmember Yukimura...

Councilmember Yukimura: I am asking a question. Is building new roads your solution to the congestion problem on the island?

Mr. Dill: We cannot say that we believe that the process of adding an additional lane between the southern end of the temporary bypass in Kapa'a and the river would help significantly with traffic through that corridor. Then a separate project of adding a second lane on the northern part of the bypass will also significantly help traffic through that corridor.



Councilmember Yukimura: So what is going to happen when the four (4) lanes in front of Coco Palms turns into three (3) lanes going towards Līhu'e?

Mr. Moule: I will take that question. The challenge right now from a traffic engineering and transportation engineering, street design perspective is you have a single southbound lane through two (2) traffic signals, which are three (3) phased traffic signals where the southbound movement only gets one (1) of those three (3) phases and the State has made that as long as they possibly can in time, it is very long, asking anyone who lives in the Houselots or up the Homesteads and wants to make a left out of there—there is tons taken away from that single-lane movement. Once you get past the signals, the need for multiple lanes drops dramatically because you no longer have traffic signals that cause that stop and go flow. Once you get past that location, the next signal is all the way in Hanamā'ulu at the triangle there. Again, the State working with us, as much as we are able to, continue to monitor that intersection to provide the necessary lanes, a dedicated right-turn lane and a through lane, extending the length of those would help, and we talked about that, improve any future congestion at that intersection.

Councilmember Yukimura: Is it going to go from level "F" to level "D?"

Mr. Moule: The thing about level of service is that when we talk about level of service, you are typically looking at level of service for the peak hour. The challenge we have today on the east side is that we have level of service "F," not just for the peak hour, but for hours of the day.

Councilmember Yukimura: Correct, we know that.

Mr. Moule: Honestly, I cannot come up here and tell you that you are going to see level of service "D" or "C" after that project is constructed during the peak hour.

Councilmember Yukimura: Okay.

Mr. Moule: It can be argued that getting level of service "D" or "C" during peak hour is...

Councilmember Yukimura: Okay, let us use another measure.

Mr. Moule: Can I finish?

Committee Chair Kaneshiro: Councilmember Yukimura, please do not interrupt him.

Councilmember Yukimura: Okay.

Mr. Moule: It can be argued that trying to build to the peak hour is a huge expense to do that. It has been argued that that is a waste of money. I am not going to make that statement here, but it has been argued that is the case. Where we will still see congestion during peak hour, level of service "E," possibly "F," you will not see level of service "F" for hours of the day once those

projects are constructed unless traffic volumes continue to grow dramatically from what they are today. To me that is the real benefit of those State-proposed projects, which is to reduce the amount of time during which you have so much congestion. The problem with level of service "F" is that corridor is well-beyond "F." There is no level beyond "F." There are measures that you can measure, but once it is past a certain seconds of delay or certain average speed for that corridor, it is all "F." You can talk about "F+" and "F++."

Councilmember Yukimura: You are making my point.

Mr. Moule: So the point is that this will bring it back to a much better "F" so to speak or a no "F" outside of the...

Councilmember Yukimura: Oh my God. Okay, let us use a different measure then. What about the number of vehicles going through a point? Are we going to improve that?

Mr. Moule: Yes, the capacity will absolutely increase by adding a second southbound lane.

Councilmember Yukimura: By what to what?

Mr. Moule: The Kapa'a Transportation Solutions Study evaluated that, but I do not have those numbers in my head.

Councilmember Yukimura: Would we not increase the throughput if we had more people using the bus?

Mr. Moule: Yes.

Committee Chair Kaneshiro: Councilmember Yukimura, ask a question and let him answer it.

Councilmember Yukimura: He did.

Committee Chair Kaneshiro: He was still talking. You keep on interrupting him.

Councilmember Yukimura: No, he said yes.

Committee Chair Kaneshiro: I am just saying if we can get a break in between the questions and the answers.

Councilmember Yukimura: Have you explored what the traffic congestion improvement could be like if you increase bus service?

Mr. Dill: We have looked at that to some degree. We have not done a detailed traffic analysis. The Kapa'a Transportation Solutions Study...we asked them to study that in more detail. It is a bit challenging to do. The thing is that it is difficult because it is difficult to judge the latent demand for buses. There is definitely some that if you increase service you are going to see

more use, but trying to say that many people are going to switch to buses is difficult to judge how much that is going to be. That is why it is difficult to say.

Councilmember Yukimura: Is it not true that our Multimodal Plan has showed that whenever we increase service that the ridership increases? In fact, I think it is stated in our Multimodal Plan that the limiting factor is not demand. We do not have to persuade people to ride the bus. The limiting factor is service and we are not providing enough service, therefore people cannot use the bus.

Ms. Nakamura: That is why the Administration's proposal for the use of GET includes twenty-five percent (25%) of the surcharge being used for expansion of bus services.

Councilmember Yukimura: I am asking about specific bus solutions for the Wailua-Kapa'a traffic corridor and why you are not focusing on that if that could, in fact, really reduce congestion, which is a key priority? We want these moneys. They are a burden on our people. If they are going to pay a lot for this, they want to see results. That is where good results could be given. Why are we not applying our moneys to looking at that?

Ms. Nakamura: We actually are. There are two (2) studies underway: the north shore/south shore and we added the eastside shuttle. That study is going on and the short-range transit study is also starting up. Both of those will give us better direction for the best use of the GET funds, but we have some ideas of what can be done now. There is more information that we can get out of these two (2) studies and both of those should be done by the end of this year.

Councilmember Yukimura: I do not believe that the Wailua-Kapa'a shuttle study area includes Lihu'e.

Committee Chair Kaneshiro: Councilmember Yukimura, I do not want to get into a debate. Ask them the question. There are other people that want to ask questions, too.

Councilmember Yukimura: That is fine. I will finish up in a minute. I do not want, "Yes, we are going to do this," and it is not really focused on getting solutions to the real problem that is strangling the community.

Committee Chair Kaneshiro: What is the question?

Councilmember Yukimura: How can you reduce traffic congestion with a concerted plan for increasing public transportation in the Kapa'a to Lihu'e corridor?

Committee Chair Kaneshiro: I am pretty sure I know what you want the answer to be.

Councilmember Yukimura: You do?

Committee Chair Kaneshiro: We have heard it a lot of times already.

Councilmember Yukimura: I do not even know the answer.

Committee Chair Kaneshiro: "Improve the bus system." I think Nadine did a good job of saying all of the stuff they are looking at as far as trying to reduce traffic, and it is not just roads. They are looking at the shuttle system and the bus system.

Ms. Nakamura: We do not have the specific answers now, but we will be sharing the results of these two (2) studies as we get them and getting your feedback along the way.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I am going to go back to roads for a second. I agree one hundred percent (100%) that four (4) lanes across the bridge north to the existing bypass will make a huge difference in that area there. It may still be "F," but it would be a huge difference for Kūhiō Highway. I appreciate the consideration you gave our legislative group, but getting the money is not getting the job done. There was money in the budget eight (8) years ago for this project. The Mayor's Office...we all need to put more pressure on our legislators, as well as the Administration to move the project. The way the budgeting process works there is everything is over-budgeted in terms of projects, and then the Governor and the departments pick which ones they want to use. Just because the legislators have something in the budget, it does not mean it is going to happen. I think what the people want to see, and you heard the conversation today, is about traffic, the Kapa'a traffic especially, but it goes all the way to the Tunnel of Trees. To raise people's taxes and raise some two hundred fifty million dollars (\$250,000,000) and have no significant and measurable impact on the level of service is something that I certainly cannot support and do not believe the community will support that once they know what is going on. My question is the three (3) projects that affect the Kapa'a traffic...I agree with Councilmember Yukimura that the one at the top is "pie in the sky" with all due respect. Is that almost Loop Road and conservation lands?

Mr. Moule: Not quite to Loop Road.

Councilmember Hooser: But the political resistance and the community resistance to opening up what is now what most would consider a pristine area there is going to be significant, not to mention the cost, environmental impacts, and it is decades, if not fifty (50) years away. I do not know if you can bring up the other slide, but the other two (2) areas...this was discussed in a prior administration. I remember ten (10) years go walking the temporary bypass with members of the Kapa'a Business Association and the administration saying, "Why do we not connect the house lots to the road? Why do we not do all of these other things that are in that plan? The administration has never come to ask us for money." Why has that not been done? Where is the urgency? I know there are lots on your plate, but I think that is what the community wants to see, which is an urgency to deal with the traffic.

Ms. Nakamura: I do not know if you recall the discussion at the last budget where funds for the Kapa'a Urban Design was reprogrammed by the Council to look at a connector road, so we have been working diligently to identify

what some of the options can be here, engaging the community in some discussions right now, and then the plan was then to come back to the Council. That was part of our conversation, which was to do our homework, look at the alternatives, talk to the HDOT, and then come back to the Council with how we intend to use the funds to actually work on some plans and to go through the environmental work so that it can...within three (3) years, if with can use the three hundred thousand dollars (\$300,000) set aside for this project to do the environmental work and the design, maybe a portion of the design, then we can use the GET funds to implement.

Councilmember Hooser: Three (3) years from now?

Ms. Nakamura: Yes, so that might move up further, depending on how we move along that project. That is one where the clear priority of the Council and direction of the Council made us change our course and we have been meeting with some of the community members who will be impacted by this.

Councilmember Hooser: Okay. I guess it speaks to the capacity also to deliver on these projects. That is an example of something that has been a long time and to think that just because there is money available, we think we are going to be able to meet the expectations laid out in this plan.

Ms. Nakamura: I believe this goes to a need for everyone to understand the Kapa'a circulation study because a lot of resources were put into bringing on a consultant and the State involved the county representatives to sit on that study group. There was a list of potential projects generated that were prioritized and scored and so forth, and then they came up with a list of State projects, county projects, high priority, medium priority, and low priority. I think it is important for this body to understand the recommendations because we can move on some of these recommendations if there is agreement around the table that we should move on some of these. It might be helpful to try to do a workshop around that or for everyone to at least get a copy of the study to understand what is in there because that can help us in our budgeting process.

Councilmember Hooser: Right. It would be helpful for the Administration to say, "We want to do this project. We think this is going to help Kapa'a. This is how much it costs. Say yes." That is another way to approach it.

Ms. Nakamura: Yes.

Councilmember Hooser: Thank you.

Committee Chair Kaneshiro: We are still on roads. I am just going to say that we are getting close to 3:30 p.m. I will open it up for questions and if we do not make it to 3:30 p.m., then that is fine, but we will need to take a ten (10) minute caption break. When we get back, if anybody wants to testify, I will open it up for public testimony. You can wait or if you want to do it now, you can. I just do not want to hold anybody up if you have to go. The plan is that we will go up until 3:30 p.m. or anytime sooner, and then take the caption break and open it up to public testimony if anyone wants to testify now. They can always wait until the end, but I am not sure when the end will be. Councilmember Yukimura.

Councilmember Yukimura: Chair, is it possible to let this young man testify now? He has to catch the bus at 3:30 p.m.

Committee Chair Kaneshiro: Well, I can open up public testimony now until 3:30 p.m. While the rules are still suspended, I will open it up to public testimony.

Councilmember Yukimura: I can take you if you miss the bus.

Committee Chair Kaneshiro: Push the button and it will be blue. When you start, the light is going to turn green and you will have three (3) minutes. At thirty (30) seconds left, it will turn yellow, and then when your three (3) minutes is up, it will turn red. That means stop. Since you have to leave, if you want to take another three (3) minutes, we will let you take the three (3) minutes now. Just state your name for the record.

TEVIN VIDINHA-FLORES: My name is Tevin Vidinha-Flores. I am here testifying for Councilmember Yukimura. I had an E-mail from her asking me to come. She wanted me to make a statement on the Kaua'i Bus. These people here sound like they just want to build roads and use a lot of funding. From what she was telling me, the Kaua'i Bus is going to help a lot more, so I cannot grumble with that because that is more people on the bus and less people in cars. There is no other way to put it. I use the Kaua'i Bus on a daily basis. On an average day, I catch it maybe four (4) to six (6) times a day and on a real busy day, I catch it maybe ten (10) times. Was there anything else that you wanted me to state?

Committee Chair Kaneshiro: It is his testimony, not Councilmember Yukimura's testimony.

Councilmember Yukimura: Absolutely not. This is a young man who is using the bus. Can you tell us how old you are and if you are a student? Do your friends use it?

Mr. Vidinha-Flores: Okay. I am seventeen (17), going on eighteen (18) in March. Almost every friend that I have uses the Kaua'i Bus to go to work, go to family occasions, school, and everything that you can think of. It is pretty much like our car. We are so thankful to have the bus and from the E-mail she sent me, she is here today to try to make the bus have more hours, more schedules coming in, and more buses coming in and out of town. From my point of view, that would be great. It could not get any better than that. From the people that were sitting here, it sounds like they want to build lots of roads. It would be good if they could fix the roads and do what they say...it is not my business, but that is what I am learning right now. This is a big learning experience for me. Just having the bus is a real blessing for me.

Committee Chair Kaneshiro: Okay. Thank you.

Councilmember Yukimura: Thank you, Tevin.

Committee Chair Kaneshiro: We have five (5) minutes left, so I will take one more testimony of three (3) minutes, and then we will take a break and come back. Let us go in order of the list.

Ms. Yamauchi:

Luke Evslin.

LUKE EVSLIN: Luke Evslin for the record. I am speaking on behalf of Apollo Kaua'i today. While most of us will not notice a one-half percent (0.5%) increase in the GET, for those who do notice, it can mean the difference between paying rent and buying groceries and between sleeping in a bed or sleeping on the beach. Hawai'i has the highest proportion of homeless people in the country, and out of that, Kaua'i has the highest number, which is an estimated thirty-six percent (36%) of families that are on the verge of homelessness. As a State, we have the fifth highest taxes on low-income families and our current Hawai'i excise tax impacts the bottom fifth of Hawai'i wage earners ten (10) times more than it impacts those at the other end of the spectrum, which makes the excise tax, by far, the most regressive tax there is. Literally, any other funding method is better than the excise tax. As we are seeing economic growth in the 21<sup>st</sup> century as slowing around the world and especially in Hawai'i, an inequality is rising everywhere. We can see those effects all around us and every decision that State and local governments make needs to be in terms of reducing that growing inequality, which is why new roads and road repair should be funded entirely from increased vehicle weight and gas taxes. We do need to increase our public transportation on Kaua'i. As I was waiting for the bus to get here today, a guy sitting at the stop next to me said, "This bus is taking forever. I will lose my job if it is not on time." I am always struck by the disparity between those who ride the bus and those who testify at Council. Our lowest income families are not in here, as nobody wants to sit in front of a camera and say how much a one-half percent (0.5%) increase in the cost of goods would affect them. Nobody wants to say how they do not have a car and the bus is their only lifeline to get to work. Those are the families that you need to work the hardest to protect. Bus service, to be viable, needs to be every half hour. While public transportation is a proven way to reduce greenhouse gas emissions and even more important is that it is a proven way to reduce inequality, which as I said earlier, we are in desperate need of. While long-term funding for public transportation should come from a significant increase in gas and vehicle weight taxes, since the County is in such a fiscal hole regarding our transportation network, then I can understand the need for a temporary stopgap for capital improvements such as new buses or shelters. However, if the money is raised from the excise surcharge, then it should be no higher than point two five percent (0.25%). It should go exclusively towards the inequality-reducing measure of public transportation and it should very quickly sunset as other less regressive forms of taxations start to generate the necessary funds. A quick note on road construction is that the State spends fifty-nine percent (59%) of its highway funding on new roads and only forty-one percent (41%) on existing roads. That translates to ninety-nine point four percent (99.4%) of our existing roads, receiving only forty-one percent (41%) of funds while the remaining point six percent (0.6%) of new roads get the remaining funds. Because of that imbalance, thirty-nine percent (39%) of Hawai'i's roads are in poor condition, giving us the distinction of having the fourth worst roads in the country. I hope the County does not go down that same path, as the fundamental law of congestion has repeatedly proven that new roads do not alleviate congestion, as traffic overtime will always return to equilibrium. I hope

that we can expand public transportation and bring our current roads up to standard before building new ones and I hope that the funding can come primarily from users of the roads and not from a regressive excise tax. Thank you.

Committee Chair Kaneshiro: Thank you. With that, we will take a ten (10) minute caption break and we will come back and still open it up to anybody that wants to testify now.

There being no objections, the meeting recessed at 3:26 p.m.

The meeting reconvened at 3:39 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Again, we are going to start where we left off at public testimony. Can we have the next registered speaker?

Ms. Yamauchi: The next registered speaker is Keren Michaels, followed by Matthew Bernabe.

KEREN MICHAELS: Keren Michaels. I will say that I went to the meeting that Governor Ige attended two (2) or three (3) weeks ago, and he said that the money had been appropriated by the State from the federal government and that they had gotten a ton of money and it had been appropriated for that bypass road to have that extra lane on it, and that the money is to come to us. His opinion was that there was no question about it. So that is done. My other thing is about the bus. I rode the bus for a year and I thought it would be great and it really was. I never got on the bus like the kids do and said, "I will ride it to wherever it takes me." I used it as an appointment-only bus. I would make my dental appointment and say that I have to be there at such and such a time. They would come and pick me up at Sun Village and come right to the door to pick me up and took me to my dental appointment. It was wonderful. My next problem was trying to get home. It was always the problem to get back home. Every fifteen (15) minutes, I could call the dispatcher back and say, "The bus did not show up to get me. Can you send somebody else?" They said, "We will send you another one." In fifteen (15) minutes, she would call back again, and again. There are a lot of logistics problems that needs to be worked out with this bus, more than expanding the service of the bus, because the hours that I rode the bus were peak hours. I normally rode between the hours of 9:00 a.m. and 5:00 p.m. There was nobody on that bus. There were many days where I was the only rider on this humungous bus. I would think, "What great taxi service I am getting for next to nothing." Anyway, I went on and one day, there were five (5) people. I thought, "My gosh. We have a real rush on the bus today." But there is never. The usage of that bus...I do not think you are going to change people's riding or not riding that bus because you throw more money at it. That is not the problem. Let me say another problem. There is another major problem with the bus. There is no food or drink allowed on the bus. You cannot get your groceries and bring them on the bus. If the bus driver sees you bring groceries on the bus, you have to get off or get rid of the package or you cannot come on. No food is allowed. So I cannot do my grocery shopping on the bus. Please, before you throw more money after it, make sure that the problems in the service are worked out first before throwing more money at it.



Committee Chair Kaneshiro: Thank you. You have a question from Councilmember Yukimura. Repeat or rephrase.

Councilmember Yukimura: I just wanted to clarify that you were using the paratransit and not the regular bus, right?

Ms. Michaels: I used what was referred to, which says "Kaua'i Bus" on the outside of it.

Councilmember Yukimura: Yes, but they picked you up at your house and took you back to your house.

Ms. Michaels: The bus service that I used...all the buses that were coming around, they pick you up at an assigned place and it just so happens that I live in Sun Village and right downstairs there is a regular stop there. Stops do not necessarily go at people's homes, but my understanding from riding the bus is that they will take you right to your door and bring you straight from your door to where you want to go.

Councilmember Yukimura: That is the paratransit part.

Ms. Michaels: Yes, but I was using what is referred to as the "Kaua'i Bus."

Councilmember Yukimura: Yes, they are part of the Kaua'i Bus.

Ms. Michaels: Whatever.

Councilmember Yukimura: Just a different service. Thank you.

Ms. Michaels: But it is a good service. Like I said, my grandkids use the bus the way he does. They just get on it and visit their friends and go to the mall or wherever they want to go. That is just basically what it is. That was not the usage I had for it. Mine was the main source of transportation.

Committee Chair Kaneshiro: For the rest of those in the audience, you can decide to testify now or you can decide to testify later. You are not going to be able to testify now and again later, so pick your choice.

MATTHEW BERNABE: Matthew Bernabe for the record. I oppose this tax for many reasons. It is just an extension part of a pyramid scheme that the State is pulling to balance their budgets. The whole reason we are allowed to do this is because they said we could because they are taking our transient accommodations tax that they inflated and are disproportionately funding four (4) of their major programs with it. The one I want to focus on now is the reality that at every level that our Roads Division has been operating, as far as I have been paying attention, is to me ridiculous. Instead of actually having a plan with timelines that have costs versus those timelines, they come over here and they cannot answer questions, which to me, is important because if I was these guys with this presentation today or any of their presentations, and tried to get a business loan at a regular bank, we would be turned around or politely said, "You need more

in your packet.” How do I know this? I know this because I go to the bank, use the bank, own a business, and do functions in the real world. Instead, they say, “We do not really know, but it is going to be expensive. We will tax you today and tell you the plan later. In some cases, we are just going to go ahead and do it and ask for the paperwork to make it legal after.” As I wrote down through here...right here...expenditures. Let us use this one on page number 4. I went to the general plan...what is it called? I am not saying it correctly...our future plan? Most of the discussion was about bicycle trails and sidewalks. Over here, there are no sidewalks on expenditures. This is just a breakdown between the roads, bridges, buses, and all the other facilities. They are not even honest right here with it. Second, they talk about having no manpower to get to these crucial things that have been on radar for a while, but yet they have lots of manpower to go and look for a Transportation Investment Generating Economic Recovery (TIGER) grant for Rice Street that is only twelve (12) years old and is in one of our best conditions, meanwhile when I pick up my kids, that road from Mahelona down to the highway in Kapa‘a, you have to lock the hubcaps on that. They do not have the manpower because they are too busy doing illegal bike trails and they are too busy focused on Rice Street’s revitalization versus looking for grants that maybe could do something about the bus, looking for moneys to go and fix some of these bridges and some of these other roads that are in desperate need of repair. That is why they do not have the manpower. I see my red light, so I will come back.

Committee Chair Kaneshiro: Thank you.

Ms. Yamauchi: Our last registered speaker is Nancy Kanna.

NANCY KANNA: Good afternoon. I am Nancy Kanna for the record and I am speaking as a private citizen. I am here in support of the Bill. The reason I am in support is because I was thinking the other day...I have a fourteen (14) year old son and I think back to when I was younger and the older generation, they were taking care of the things that I was not able to see. I see this young man that is here today who is riding the bus. My fourteen (14) year old son rides the bus. It is becoming a way of life and transportation for them. We are at this crux right now where we do need to start getting out of our cars and we do need to start looking at alternative forms of transportation. More importantly, I see our bridges in disrepair. Should they have been repaired ten (10), fifteen (15), or twenty (20) years ago? Yes, they should have, but they have not been. This is one of those unique opportunities for this Bill to pay for some of those badly needed infrastructure items that we need to have done; not just for ourselves as the older generation, but for the younger generation because we are otherwise passing it on to them. So I encourage you to consider passing this Bill for the one-half percent (0.5%) GET surcharge. I personally do not like to pay a general excise tax, but if I know that that one-half percent (0.5%) is coming back to the County that I live in and it is going to be for the future of our young generation, then I am in support of it. Thank you for the opportunity to testify.

Committee Chair Kaneshiro: Thank you.

Ms. Yamauchi: Committee Chair, we have another registered speaker, Bev Brody.

BEV BRODY: Hello. Bev Brody. I am here to enthusiastically support this Bill. One of the reasons I support this Bill is because I was driving along one of the roads in Kilauea the other day and I did not see it because it was raining really hard and I hit a big pothole. My husband was not pleased. It was a County road. Anyway, our roads are in real disrepair. I do not think that is any fault of this Administration. As a matter of fact, I think the Administration that we have now is absolutely one of the best we have ever had in history and that they have actually done an outstanding job putting together a plan for this money and actually thinking about how we can have preventative maintenance. If we do not pass this Bill and to increase our taxes, it is going to...our roads are going to become further deteriorated and it is going to become way more costly to repair. Somewhere down the road, as the previous lady just spoke, there is going to be a raise in taxes somewhere and if it means that our children are going to have to do it, I do not want to have to pass that on. I think that we should step up to the plate, take responsibility, and support this Bill wholeheartedly. I am not even going to the yellow light. I am done. Thank you.

Committee Chair Kaneshiro: Repeat or rephrase.

Councilmember Yukimura: Are you speaking for yourself?

Ms. Brody: Yes, I am.

Councilmember Yukimura: Thank you.

Ms. Brody: You are welcome.

Committee Chair Kaneshiro: Thank you. Anyone else in the audience wishing to testify for the first time?

MARK PERRIELLO: My name is Mark Perriello. I am President of the Kaua'i Chamber of Commerce. Thank you for hearing my testimony. I will be brief. I am here to double-down and say that we support this GET increase. I think that transportation is critical for the businesses on the island for a host of reasons, which I will not get into. One of the things that I want to reiterate from last week and make clear from last week is that the Chamber does not support building up an infrastructure that we cannot support at the sunset of this tax provision in ten (10) years. So whatever the money is spent on, it needs to be spent on projects that are existing on things that will not require sort of that maintenance of effort over a long run when there is no more money to be found. As you are considering this, I would strongly recommend that you be conservative with how the money is spent and do not spend every penny because it does disappear in ten (10) years. Thank you once again for your time and good luck with your deliberations. Thanks.

Committee Chair Kaneshiro: Thank you. Anyone else wishing to testify for the first time? For the second time? Tevin, you may come up.

Mr. Vidinha-Flores: Tevin Vidinha-Flores for the record. I am learning a lot today. From what everybody is saying, they like to talk with numbers, so to build more roads and bridges, it is going to take more money. To

make more bus hours, more bus stops, and more schedules, that is going to take a lot less to just pay a bus driver, fill up the bus, and make a bus shelter and what not. Financially, I think it is cheaper to continue with the bus and pass the Bill. Either way, you are going to have to repave the roads that have the potholes. That needs to be done because that is where the bus has to go over and over. Financially, it is going to be better for all of us to pass the Bill and try to push forward with having the bus run more often, having more bus routes, and having more bus hours. That is basically numbers-wise. Thank you.

Committee Chair Kaneshiro: Matthew, you may come up next.

Mr. Bernabe: Matthew Bernabe for the record. I am going end with a criticism with one last point. How can we trust these guys, the Roads Division, when they say that they are going to put in and categorize from the most urgent to the least urgent? They have obviously demonstrated that their most urgent are roads that are already existing and they just want to redo it so that they have bike paths and sidewalks. That is what they have shown me and that is why I am against it for them. I do recognize the need to generate revenue. In fact, I also recognize the need for our County to have a long-term revenue generating plan, like an export of some sort like agricultural. For the short-term, to solve this problem, if we did a poll to tourists and asked, "Would you like all of your purchases to be taxed at a higher rate or would you just like to have at three dollar (\$3) to five dollar (\$5) a day addition to your rental car? I bet you they would pick the rental car. I know I would because I rent cars when I travel. If I knew that every meal, every bottle of water, and every other thing is going to be hiked up just to subsidize the roads, I would take the three dollar (\$3) to five dollar (\$5) a day easily. It does not even hurt you when you budget for your car. We all recognize that the roads are a mess. Some of us recognize the people in charge of the roads, in my opinion, are incompetent of spending this money. This is like giving your addict child more money to pick up a gallon of milk and expecting him to come home with milk and eggs. That is how I feel right now. I am so suspect of how they have conducted due process that I do not trust giving them another penny. I am going to charge you guys...if you guys pass this, you guys better be on your game and whoever is sitting in those chairs better be able to tell these guys, "You messed up. You were wrong." The Mayor was willing to compromise. Maybe we have to create language that if there is a breach in due process that it automatically goes to some charter review instead of even going up to a 7:0 vote to you folks. There has to be some guarantee that we are not going to just have the "Wild West" in retaining funds, shooting from the hip, creating bike paths, creating sidewalks, and reducing lanes. They actively take the position that they want to slow traffic down on Rice Street. Not only are they wasting their time on a road that has structurally nothing wrong with it, but they are actively saying, "By the way, we also want to slow you down." Do you want to trust guys like that? I cannot. Please shut this tax down and come up with an alternative method of generating revenue, something that is better than this because all you are doing is cannibalizing our pockets. Thank you.

Committee Chair Kaneshiro: Thank you. Anyone else wishing to testify for a second time? You guys are done, sorry. If nobody else wants to testify for a second time, while the rules are still suspended, we will bring back the Administration for more questions. Councilmember Kagawa.

Councilmember Kagawa: Have we moved on from roads? I have a question for the financial side.

Committee Chair Kaneshiro: I believe we are done with roads.

Councilmember Kagawa: Can we have Ken then? I guess before we consider this one-half percent (0.5%) increase that will raise twenty-five million dollars (\$25,000,000) a year, I think it is good for the public to know what is our current financial position. We just recently had our Comprehensive Annual Financial Report (CAFR) done by our CPAs and the unappropriated surplus was fourteen million dollars (\$14,000,000). If we take that fourteen million dollars (\$14,000,000) and add our current cash reserve or savings balance—I do not know what that is—and we minus out some of the unaccounted for projected salary increases next year, then we kind of come out with a snapshot of what is our current savings balance at this point, right? I want to know how much we have in the bank right now, as of today or just an estimate. I do not expect an exact number. Is it close to ten million dollars (\$10,000,000)? Fifteen million dollars (\$15,000,000)? Can we just break it down? We know what the CAFR surplus is. What is our current reserve or savings that we have?

Mr. Shimonishi: Ken Shimonishi, Director of Finance. You are talking about the General Fund, Councilmember Kagawa.

Councilmember Kagawa: Yes, the General Fund.

Mr. Shimonishi: The CAFR that was just recently presented by N&K showed the Unassigned Fund Balance at I want to say approximately twenty-seven million dollars (\$27,000,000) to twenty-eight million dollars (\$28,000,000) that was ending fiscal year June 2015. We did have some draws against that with the 2016 budget ordinance. We put more money aside towards ours reserve, towards our self-insurance fund. We had impacts that were from Bargaining Units 2, 3, and 4, which brought that number down to approximately twenty-six million dollars (\$26,000,000), roughly. That is what is currently held as unassigned in the General Fund and would be considered as part of whatever reserves that we have, so a savings typically is what you can kind of refer to.

Councilmember Kagawa: But then next year's salary increases would not be accounted for in this year as operating, so what is next year's projected salary increases?

Mr. Shimonishi: Our preliminary numbers projected are to be a little over seven million dollar (\$7,000,000) increase over last year.

Councilmember Kagawa: So would it be fair to subtract seven million dollars (\$7,000,000) from the twenty-six million dollars (\$26,000,000) to know our current?

Mr. Shimonishi: That, along with any offsetting potential revenue increases. One potential decrease would be if our TAT is not resolved, then we would lose one million five hundred thousand dollars (\$1,500,000) on that,

looking at our real property values, of course, which make up more of our General Fund revenue. That would be correct.

Councilmember Kagawa: Kind of close to nineteen million dollars (\$19,000,000) maybe?

Mr. Shimonishi: Right.

Councilmember Kagawa: What did we get before the cap on the TAT was done about five (5) years ago or so? Did we use to get twenty million dollars (\$20,000,000)?

Mr. Shimonishi: I do not believe it was that high, but I think projected, we would have gotten, had we been on the old formula, which was forty-four point five percent (44.5%) of the total TAT, and then the County of Kaua'i got fourteen point five percent (14.5%) of that. If we were on that formula, I believe we would be getting an estimated nine million dollars (\$9,000,000) plus more.

Councilmember Kagawa: Per year?

Mr. Shimonishi: Yes.

Councilmember Kagawa: To the twelve million dollars (\$12,000,000) that we are getting now?

Mr. Shimonishi: To the thirteen million five hundred thousand dollars (\$13,500,000), correct.

Councilmember Kagawa: So with the cap on, we get thirteen million five hundred thousand dollars (\$13,500,000)?

Mr. Shimonishi: At the current cap, we get fourteen million nine hundred thousand dollars (\$14,900,000) because the cap was increased from ninety-three million dollars (\$93,000,000) to the counties to one hundred three million dollars (\$103,000,000). That cap stops at the end of fiscal year 2016, so some legislative action is required to continue to cap, increase the cap, or remove the cap.

Councilmember Kagawa: That is why you are saying that we could lose one million five hundred thousand dollars (\$1,500,000) because it could drop to...

Mr. Shimonishi: To ninety-three million dollars (\$93,000,000) capped for the counties again, of which we would get thirteen million five hundred thousand dollars (\$13,500,000).

Councilmember Kagawa: Now there is another proposal from the working group that we are pursuing that could give the Kaua'i County an additional nine million dollars (\$9,000,000). That is what the mayors all agreed to try and push forward.

Mr. Shimonishi: That is correct. That would be effective in fiscal...I think it is...fiscal year 2018.

Councilmember Kagawa: And all of those TAT moneys come from the tourists, right?

Mr. Shimonishi: The vast majority, unless the locals are staying at hotels, then you are paying the TAT as well.

Councilmember Kagawa: Okay. If we do not get the moneys beyond the cap, then instead of receiving tourists' tax moneys, we are now saying, "Well, we are going to use the one-half percent (0.5%) GET tax instead." How much of that would come from the tourists and how much would come from the residents? Do we have any estimates done?

Mr. Shimonishi: The rough estimates are that the tourists pay thirty percent (30%) to thirty-five percent (35%) of GET tax revenues generated.

Councilmember Kagawa: Wow, that high?

Mr. Shimonishi: Yes.

Councilmember Kagawa: Still, instead one hundred percent (100%) coming from tourists' tax moneys, it will be thirty-five percent (35%) coming from tourists' tax moneys.

Mr. Shimonishi: Correct.

Councilmember Kagawa: Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just in terms of financial projections and questions, there has been a lot of criticism about the GET in terms of reducing the County budget first. I wanted to just have the opportunity for you to share some of the budget trend analysis as we have come from the last two (2) years. Have we been reducing and what does it look like moving forward in terms of reducing our budget?

Mr. Shimonishi: Clearly, I think as you look at the trends, I would not say we have been reducing, but we have been controlling and keeping expenditures on an almost minimal type of growth level. Again, the General Fund, which is the largest operating fund that we have; almost fifty percent (50%) of the General Fund is made up of between Police and Fire, which I am assuming are very essential functions of the County. In looking at the General Fund as a whole, eighty-three percent (83%) of the General Fund expenditures relate to position salaries, employee benefits, and collective bargaining. In order to actually make a significant impact, it would be a reduction of that "piece of the pie," so to speak. The County is bound by bargaining agreements that we do not necessarily have a majority say in, but we are bound by those agreements nonetheless.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: So when you are saying that the “piece of the pie” gets smaller, do you mean the non-salary expenditures...if we go on a budget that is non-growth, then we are cutting into the non-salary expenses because of the salary increases that keep going up, but the budget stays the same, so we are squeezing out the non-salary.

Mr. Shimonishi: That would be a correct assumption.

Councilmember Kagawa: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I have a question about finances, but it is a little bit different. I think you told us this before, but I cannot find the spreadsheet that actually shows it. If the GET as proposed was to be approved and seventy-five percent (75%) went to roads and twenty-five percent (25%) went to the bus or transportation, what amounts would be freed up from the General Fund? I thought I saw thirty-five million dollars (\$35,000,000) over ten (10) years, but I am not sure.

Mr. Shimonishi: When we first presented the general excise tax surcharge, and in fact I think it was a question from the Council about what moneys could be freed up; we identified positions in the Department of Public Works and other areas potentially and the number we came up with I believe was about seven hundred thousand dollars (\$700,000) a year. If we wanted to take a real critical approach as far as using the GE tax to fully fund existing transportation, which would mean no improvements towards the transportation like the bus system, then that piece that is currently general fund supported is roughly four million two hundred thousand dollars (\$4,200,000). I think that is the number.

Councilmember Kualii: A year?

Mr. Shimonishi: A year.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am kind of moving from financial if there are no further questions.

Committee Chair Kaneshiro: Are there more financial questions? I have a financial question. Hypothetically, if the GET does not pass, what are our plans to fund this maintenance obligation we have as far as roads?

Mr. Shimonishi: If the GE tax does not pass, we are obviously stuck with the same revenue stream, the same expenditure line items, and barring any type of other revenue increases. We would see the roads resurfacing continue at approximately one million two hundred thousand dollars (\$1,200,000) a year with



any potential matched money from the feds. Again, all things being equal, that has been the history of the County, at least for the last few years that I have been here.

Ms. Nakamura: I can also add that there are alternate sources of funding if we want to aggressively pursue the backlog in repair and maintenance of our roads and bridges and if you wanted to expand transit. We do not have too many options available. We have property taxes, fuel taxes, and vehicle weight taxes. Those would be the other alternatives to pursue. We could pursue bond funding, but then we need the revenues to support the repayment of the bonds.

Committee Chair Kaneshiro: Thank you. Follow-up? That may not end up being hypothetical, depending. We will see. Councilmember Chock.

Councilmember Chock: Just to follow-up, to me it is important for us to look back, even if we talked about it before, and say, "Why have we not prepared for this in the last twenty (20) years? What can we learn from it?" I think I have heard it before, but think it is worth hearing again. Why did we not save for this? What are we going to do moving forward? I think we are talking about what we are doing moving forward, but if you could point any fingers so that we can learn from our mistakes?

Ms. Nakamura: I think a big lesson that we need to learn from all of this is that we have to get a really good handle of our asset management needs within the County. Only recently did we, within this Administration, find out how much the road repair backlog really is. At the time that information became available, we were really having a hard time balancing the budget, so it is difficult to catch up when you do not have enough to just balance the budget and to make it structurally sound. We really need to look at funding opportunities as they come up. Because we know now that we have this backlog, this serious need to address, so we could either kick the can down the road and leave it for another generation to solve or we address the issue now. People either plan ahead and try to get a handle on this through this ten (10) year plan or we say, "Kaua'i residents, you need to live with this unless we are willing to increase real property taxes, vehicle weight taxes, and fuel taxes." Really, those are the options available to us.

Councilmember Chock: So somewhere along the line, we came up with this idea that what is appropriated is one million two hundred thousand dollars (\$1,200,000) a year, which is far reaching from what it is our true needs are. How are those things determined in the scope of what is really the reality of our conditions. Who was responsible for that?

Ms. Nakamura: That precedes my position, but...

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I guess I was going to ask that same question in a different way. What was the plan before we found out that the State was going to give us the authority to raise the GET?

Ms. Nakamura: There was a proposal to increase our fuel taxes and vehicle weight taxes, previously. I think the fuel tax passed, but the vehicle weight did not receive a first hearing. That proposal last year did not pass the first reading at the Council.

Council Chair Rapozo: How much was that? For Ken, if we explored going after a bond, have we explored that and what would that impact be to the taxpayer? What would that impact be to the County? Councilmember Yukimura, let him answer. I get frustrated when I hear you try to answer for them.

Mr. Shimonishi: I guess to have some guidance on that if we explore the bond, we are not talking about a bond to do road repairs, bridge repairs, and resurfacing because those would not be applicable uses of the bond proceeds. We are not talking about issuing a bond to do operational type of things, but purely upfront outright facilities, etcetera. I will give you an example of the impact of a bond because I heard it come up. One of the things that we proposed was this consolidated automotive shop, right? We are saying that we could use ten million dollars (\$10,000,000) of the GE tax surcharge to help fund part of this facility. People may say, "Why do you not float a bond, because that way you have the bond going out twenty-five (25) years and the people who benefit from this facility would pay for the bond?" That all sounds good and well, but when you apply this ten million dollars (\$10,000,000) in a bond term, which is typically twenty-five (25) years, three and a half percent (3.5%), what you actually have done is you have added five million dollars (\$5,000,000) to the ten million dollars (\$10,000,000) in the project; five million dollars (\$5,000,000) in interest. I am not sure what the question is about why we did not go after a bond, because as we are trying to apply this GE tax surcharge towards the road repairs and resurfacing, etcetera, it is not bond applicable. That would be my analogy of a bond, just to keep in mind as we go forward whenever we say, "Let us use a bond."

Council Chair Rapozo: So the only options are taxes and fees? Is that the only other option for this County?

Mr. Shimonishi: It is not rocket science; it is revenues versus expenditures and how you balance those things and what the priority is. Unless there is another way to increase the money that you are putting towards the improvements of roads, bridges, etcetera, it has to come from revenues.

Council Chair Rapozo: The federal moneys are available like federal grants, Federal Highways money, and whatever we used to do Hardy Street and TIGER grants. Are there not opportunities in the federal government to assist us with the projects that need to be done like bridges, roads, and so forth?

Mr. Dill: Yes, absolutely. We show those in the spreadsheets that we have provided with you that we are leveraging the moneys that we have with those, but they require a match.

Council Chair Rapozo: Potential, right? Or do we have the federal moneys already?

Mr. Dill: We do have for some...

Council Chair Rapozo: I guess my question is, and it follows up with Councilmember Chock's question. For the last ten (10) years, did we spend any energy, resources, or efforts to go after federal money, the way we went after federal money for the bike path, Hardy Street improvements, Kawaihau Road improvements, and the Rice Street improvements? Have we spent the type of energy that we have had on these beautification or rejuvenation projects on the issues that are of the highest priority right now, which are the bridges and the roads?

Mr. Dill: Yes, so the three (3) bridges that we have in the process right now, 'Ōpaeka'a, Kapahi, and Pu'u'ōpae, are all eighty percent (80%) federally funded. Our most recently resurfacing project, collector roads, was...we have explained to the Council in the past that our strategy now with the one million two hundred thousand dollar (\$1,200,000) allotment we get every year, because we go out every other year with the resurfacing projects. So every other year, that means we get two million four hundred thousand dollars (\$2,400,000). With the two million four hundred thousand dollars (\$2,400,000), we take two million dollars (\$2,000,000) into a local roads project, take four hundred thousand dollars (\$400,000) and leverage that with federal highways funds, which gets us a two million dollar (\$2,000,000) collector roads project. We are already doing what we can with the funds that we have available to leverage what Federal Highways moneys we can.

Council Chair Rapozo: Right, but are we limited is what I am asking. Are we limited to that?

Mr. Dill: We are only limited by the amount that we have available for us to use as match moneys to match against the eighty percent (80%).

Council Chair Rapozo: For example, the TIGER grant; what is the County match on that? About two million dollars (\$2,000,000)? If we leverage that against federal funds for road resurfacing projects, what would that generate?

Mr. Dill: That would generate...

Council Chair Rapozo: Thirteen million dollars (\$13,000,000)?

Mr. Dill: No, eighty percent (80%). The TIGER is a different matching for it.

Council Chair Rapozo: Okay. I am not good at math.

Mr. Dill: If you have two million dollars (\$2,000,000) of County funds, you get eight million dollars (\$8,000,000) in federal funds.

Council Chair Rapozo: So ten million dollars (\$10,000,000)?

Mr. Dill: A ten million dollar (\$10,000,000) project, provided that funds are available.

Council Chair Rapozo: Yes. That is a big problem. I know this year I think we are going to nationally get more money for highways and transportation, but how long is that going to last? I guess that is a concern. We do not know. We are at the table today with a deadline that we have to make a decision if we are going to raise the GET and there are no assurances that we are going to get the federal money. I think that is the scary part for me. For some, maybe one-half percent (0.5%)...I have heard it before from several people testifying that it is not that much, but I do not look at one-half percent (0.5%) from an individual person; I look at two hundred fifty million dollars (\$250,000,000) over ten (10) years. That is how I see it differently, not only it is only half a cent on a dollar. I am talking collectively and it is a lot of money. I think the questions we are asking today is, "What are we going to get for that? What can we as a Council and the public be assured that we will get?"

Mr. Dill: That is an excellent point, Chair. From my perspective, the one-half percent (0.5%) GET will generate a lot of funds and we could do a lot of projects. It is our goal to take that and leverage the money to get even more projects done with the Federal Highways funds. Theoretically, if we had zero Federal Highways fund available to match, for the resurfacing we would still have sixty million dollars (\$60,000,000) worth of resurfacing projects that we could do. But to Federal Highways, that gets increased to one hundred million dollars (\$100,000,000).

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I have a slide, but I am not sure if it is ready to go or not. I am assuming that you vetted this with the County Attorney, and with the State Attorney General's Office, did you look to see if the Bill that we have now complies with the enabling legislation, the Hawai'i Revised Statutes (HRS)?

Ms. Nakamura: We did have the County Attorney review the Bill.

Councilmember Hooser: So the County Attorney did, but not the Attorney General? The reason I ask is because...

Ms. Nakamura: I would be happy to look at any amendments that you think would help to make it comply.

Councilmember Hooser: I may be mistaken, but it says that for counties with a population equal to or less than five hundred thousand (500,000), which is us, we can use it "for operating or capital costs of public transportation within each county for public transportation systems." Then it says "comma," including roadways, highways, and public buses." It looks to me like the primary purpose is for public transportation systems and the other is incidental to a public transportation system; not paving roads and making roads that have no connection to the public transportation system. That is what it looks like to me as I read this. The primary purpose, if you look at number one, it says "public transportation systems," including public roadways and highways. If you look up above, it says...

this all came about the rail system...we know that. It also says, "The county surcharge of state tax shall not be used to build..."

Ms. Nakamura: That applies to the City and County of Honolulu, that section above "F."

Councilmember Hooser: I guess maybe it is a legal question. When you look at number one, is enabling legislation the State is giving us to pass this law say that public transportation systems are the primary...that should be the focus. That is what I am reading. It says, "comma, including..."

Ms. Nakamura: So our roads, buses, and trains all make up the public transportation system is how we read it.

Councilmember Hooser: Okay. I guess I read it differently, especially in relation to the rail and public transportation. It is usually considered more than just roads.

Ms. Nakamura: That is why I think it says "roads, highways, buses, trains, ferries, pedestrian path sidewalks, or bicycle paths." All of those make up the public transportation system.

Councilmember Hooser: Okay. The other section, which is not in this slide...let me see if I still have it here...says, "As used in this section, capital costs means non-reoccurring costs required to construct facilities or systems, including debt service and cost of land." Is repaving a legal use of these funds? Has that been checked out legally? It is not a capital cost.

Mr. Shimonishi: Right. Again, we are looking at the language "operating and capital costs" being allowed, in the first paragraph that you just had up.

Councilmember Hooser: Right.

Ms. Nakamura: Honolulu does not have that option to use the GET's surcharge for operating; only the other neighbor islands.

Councilmember Hooser: So repaving a County road that does not have a bus stop and no buses go down that road would be considered an operating cost of that road and is considered part of the public transportation system, even though public transportation vehicles do not go down that road?

Ms. Nakamura: Correct.

Councilmember Hooser: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: So on page number 5 of your summary, I do not see the Po'ipū or the north shore shuttles included in your list and I am wondering why because we are doing studies on them.

LEE STEINMETZ, Transportation Planner: Hi. I am Lee Steinmetz, Transportation Planner with the Planning Department. You are absolutely correct that we are looking at shuttles in Po'ipū and the north shore as well and we will actually be coming to you in two (2) weeks with an update on that plan. This is the list for the first three (3) years, so in working with Celia and the Transportation Agency, what we were looking at are the improvements...one of the things that we will be doing in order to expand shuttles to other areas is that we are going to need to buy more buses. That is also funded in here, but we wanted to show the types of increases that could be done with the equipment that is already in place on-island as the first things that we would do within the first three (3) years. That is why the projects that you see listed here, the service improvements that you see here, can be done for the most part with equipment that is already with the buses and the equipment that is already on-island. That does not mean that we will not do those shuttles because those will be further out later in ten (10) years, but in those first years, we will also be acquiring the equipment that is needed to expand other shuttles in the future.

Councilmember Yukimura: So are you assuming that it is going to be the County bus system that runs the shuttles and it will not be private enterprise that might be in a partnership that will have their own vehicles?

Mr. Steinmetz: That is a good point and that is an option that we will be looking at as well. We have not made a final decision on that yet. That is another reason why we did not want to show that as part of the first three (3) years because as we complete those studies, we will be able to make those determinations.

Councilmember Yukimura: If you go for a private shuttle, you could start it within the first three (3) years, but you might need funding.

Ms. Nakamura: All of these are options, Councilmember Yukimura. That is why when we put this together, we have labeled it a...we really do consider this a "draft" plan, a plan that could be updated as we get better information and we can better steer the way those funds are spent, but that is definitely a possibility. I think we are going to have much better direction as a result of the completion of the shuttle studies.

Councilmember Yukimura: When is that completion due?

Mr. Steinmetz: We are looking at the shuttle study to be summer of this year and the short-range transit plan to be by the end of the year. Let us just say that by the end of the year, we will have all of that information available.

Councilmember Yukimura: Why is it not in your draft to start it and fund it?

Mr. Steinmetz: Well, I think we are trying to be as conservative as we can based on the information that we have now, that since we are not yet sure on the management or operation of these additional shuttles, we

know we can do this with the equipment that we have and the funding that we would have, we would be able to do this within the first three (3) years. If there are other things we can do, we can certainly add or if we decide that something else becomes more important, we can make adjustments to that, but we are trying to demonstrate what we know we can do within that timeframe.

Councilmember Yukimura: I am just concerned because I thought the shuttles were priorities, so I would think that they would be in here, maybe with the caveat that if it includes County buses that it is not possible, but if it is private, then it would be possible and you are actually budgeting for it. My whole intention in lobbying for this one-half percent (0.5%) excise tax was the authority for the one-half percent (0.5%) excise tax in that it would accelerate the expansion of the bus system so that we could address traffic congestion and we could also address the need of our families for more convenient and frequent services. I am baffled that there is such conservatism, but maybe it is because there is only twenty-five percent (25%)?

Mr. Steinmetz: Again, it is not really based on the amount; it is based on the equipment that we have that we know what we can do with that and just trying to be realistic about what we can accomplish in those first three (3) years. I think you will also see that there are service improvements in terms of frequency of service and extension of service of existing lines, especially the mainline in terms of weekend service and increasing frequency at peak hours so that we are addressing the issues of expanded service that can contribute to congestion reduction.

Councilmember Yukimura: I like your list. I think it is very good and I also thought that these shuttles were priority, so I am asking about their absence on the list. What is your timetable for the baseyard expansion?

CELIA M. MAHIKOA, Executive on Transportation: Celia Mahikoa with the Transportation Agency. As far as the baseyard expansion goes, ideally we would need to have locations identified and actively in use before we can expand the fleet size, which is why we have chosen to implement certain increases in service prior to others because there are certain actions we can take with the existing fleet. Ideally on our map, we have that as one of them being procured and activated within the first fiscal year, fiscal year 2018, and then the second in fiscal year 2019.

Councilmember Yukimura: The baseyard?

Ms. Mahikoa: Yes.

Councilmember Yukimura: Fiscal year 2018 and fiscal year 2019?

Ms. Mahikoa: Yes, if you look within "Attachment C," it is the top line item there.

Councilmember Yukimura: I see.

Ms. Mahikoa: The satellite locations.

Councilmember Yukimura: Okay, so why would you not have shuttles in there for fiscal year 2020?

Ms. Mahikoa: We are going to take the first step in reconfiguring our existing shuttles, such as the Kapahi...we know that the Wailua, Kapa'a, and Kapahi areas needs to be reconfigured and additional attention needs to be placed there as far as service frequency, and then within Līhu'e also, the ability to be moving the population around.

Councilmember Yukimura: So you are having this study done of north shore and south shore, but you are going to let the results sit and not implement them for two (2) or three (3) years?

Ms. Mahikoa: I think the challenge that we are in right now is that we are in the middle of this study and that we will have good information to use very soon.

Councilmember Yukimura: By the end of this year?

Ms. Mahikoa: Very soon. Please do not hold us in stone to what is listed here because if these recommendations come out and clearly defined that we should be addressing, say a Po'ipū shuttle as soon as possible or some other priority sooner, then we need to look at that, reassess it, and re-determine what the true priorities need to be for us to address first.

Councilmember Yukimura: Well, I guess I always thought there were your priorities and you told me that these studies will result in operational plans, so I cannot see sitting on operational plans for two (2) or three (3) years. It does not make sense.

Ms. Nakamura: Because we are at capacity, physically at the current site, if we are going to be adding buses to the fleet, we will need to work on the capital expenses upfront. If the Council feels that you want to invest in that now, sooner, that is...

Councilmember Yukimura: I am asking what the Administration feels they would like to do.

Ms. Nakamura: That is why we have this plan.

Councilmember Yukimura: But you are not showing anything in the third year, so okay. Thank you.

Committee Chair Kaneshiro: Any other questions regarding the bus? I have some. At the end of the ten (10) years, what are our annual recurring costs for the bus?

Ms. Mahikoa: Are you talking about what it will be at the end?



Committee Chair Kaneshiro: Yes, the estimated recurring costs, because we heard in the presentation that at the end of ten (10) years we are going to have to make the decision to cut the services, and I do not know what we will do with all the buses we bought for the expanded services. Obviously, we hired thirty-four (34) employees, so I want to know what the recurring costs is at the end of the ten (10) years and what we would be looking at.

Ms. Mahikoa: At the end of ten (10) years, the service added through this potential new means of revenue will be seven million two hundred thousand dollars (\$7,200,000). That is the last full fiscal year of figures that we have. Seven million two hundred thousand dollars (\$7,200,000) would be the added service provided by this funding source.

Committee Chair Kaneshiro: So after ten (10) years, seven million two hundred thousand dollars (\$7,200,000) is how much we are going to need to generate in order to keep whatever services we have at the end of ten (10) years going?

Ms. Mahikoa: Exactly.

Committee Chair Kaneshiro: Okay. Any further questions? Council Chair Rapozo.

Council Chair Rapozo: Were any of you listening when Dr. Patterson testified earlier this morning?

Ms. Mahikoa: No.

Council Chair Rapozo: Nobody listened? He referenced a study and referenced some numbers that he had provided. Number one was an eight dollar (\$8) per ride, per person subsidy. Is that true? He got it from the study that we use. He is a scientist and an analyst and did his own study. Is that what it is today?

Ms. Mahikoa: Based on our calculations, it is closer to six dollars (\$6) per trip for fixed route service.

Council Chair Rapozo: I am talking about the total. I do not know if we can replay the tape. I know he said eight dollars (\$8). That is what his analysis of the study was, eight dollars (\$8) per ride, per person. Is that what it is? A County subsidy, in addition to whatever the bus generates?

Ms. Mahikoa: As far as a subsidy above and beyond?

Council Chair Rapozo: Yes.

Ms. Mahikoa: I have not calculated what our overall is. I typically will separate our paratransit cost per trip versus our fixed route passenger.

Council Chair Rapozo: Okay. I think he looked at the total operating cost and divided it by trips and he came up with an eight dollar (\$8) per person. That is probably right. If you came up with six dollars (\$6), eight dollars (\$8) would probably be right. He mentioned something else, and I wish I could remember his terminology and I was hoping that he would still be here, but he said that his analysis of the same study revealed that the expansion resulted in less efficient service because of the ridership. Yes, it grew, but in comparison to the costs, the efficiency was actually reduced. Do you have any comments on that? Again, I would have to go back and listen to the tape, but that is what he basically said.

Mr. Steinmetz: I am sorry, I did not hear the testimony, so I would have to see what he said.

Council Chair Rapozo: Does that sound right, based on the cost, fuel, maintenance, and the buses and you add up everything? The amount of ridership increase resulted in less efficient service because basically the ridership increase was not proportionate to the increasing costs is what I got out of his testimony.

Mr. Steinmetz: I can tell you that what we are striving for is the opposite of that.

Council Chair Rapozo: I understand what we are striving for. The reason I ask that question is because does that mean that the more we increase, and we are talking about a major, massive increase with this money, would that even decrease the efficiencies even further? I think his comments were that tourists will not get on the buses; some will, but most of the tourists will still come and rent a car. I am asking somebody to analyze that same study using his pair of eyes because he is a scientist. I am curious because if the expansion resulted in less efficient service, then it is not practical. The second question is will the further expansion decrease the efficiencies even more? That is where I am at as far as this.

Ms. Nakamura: Did he leave a copy of the study?

Council Chair Rapozo: No, he was using our study and the same numbers that we have. His comment was that the study is flawed. He is using the same study, the same numbers.

Mr. Steinmetz: I would be happy to look at the testimony.

Council Chair Rapozo: As soon as we can get it pulled, we will have it transcribed and we can send it over.

Mr. Steinmetz: Sure. If I could just say that part of the improvements...there are several things that we are looking at. We will discuss this more when we come back in a couple of weeks, but one of the things that we are looking at is improving the efficiency of existing operations. For example, part of the idea of the baseyard is we have bus drivers that come into Līhu'e and then they have to drive the buses out to both ends and start their runs there. If we had these satellite baseyards that improves the efficiency of the bus system by not having

everyone have to come into Līhu'e to go out and start their routes. We are also looking at some of the existing shuttles that do not have high ridership of eliminating those or reconfiguring them or consolidating them so that our shuttle system is as efficient as possible. The third part is by increasing and expanding our service, we are also able to transfer more people from the paratransit system that we have now to the mainline system, which is way more efficient and is way less cost per rider. Those are some of the things that we are looking at to actually improve the efficiency of the overall system. Again, I would be happy to look at what was presented.

Council Chair Rapozo: We will try and get that pulled as soon as we can and get it over. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I believe he used the existing conditions report of the Nygaard transit study. I believe he said that it was not increasing as much, given the infusion of services, but I also think he did not take into account the dropping gas taxes, which does affect some of the ridership. There are a lot of factors.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Do we have daily ridership numbers from stop-to-stop and does it tie into the revenues collected?

Ms. Mahikoa: We do have that information available daily.

Councilmember Kagawa: My friend mentioned to me that if we had a bus from Kekaha to Po'ipū, the Grand Hyatt Kaua'i, he would catch it every day to go to work, but there is none that would allow him to reach there by 6:30 a.m. How do we determine whether an additional route like that or maybe taking a route that is not quite full...do we experiment? How do we notify the public that we are doing a test run and trying to see along this route if it is going to be full and serve the public?

Ms. Mahikoa: Up to this point, we have not had the luxury of doing test runs with various routes. We have relied on most recently the work with our studies that are conducted and we are particularly looking forward to the work that comes from this short-range transit plan that is coming up. We are hoping for that kind of information to be able to target the highest demands that is needed and we know that there are individuals who have service needs that are not being addressed right now and if we can target in on the high-demand area, we would be able to address that and have a decent return.

Councilmember Kagawa: Would we be using priority travel such as going to work as a higher priority than perhaps going shopping or going to a recreation type of event? The people going to work are the ones that are going to catch it consistently and we are taking cars off the roads, but we need to get them from certain times to work and we need the route to get them back home. Is that a priority compared to routes that are more for pleasure or for tourists to get by? I

think those people can make adjustments because they do not get fired if they show up late or they do not get fired for going to the beach one hour later than they want to.

Mr. Steinmetz: If I could add a little bit to that, some of what we are doing with this existing study is we have information of where people live and where people work, so we are able to look at where do we need to get people to and from? In addition to that, for example with the Po'ipū area, we just asked to verify that we have the right information and asked employers to provide us with zip code data so we could look at exactly where people live and work and what shifts they work at. What is kind of tricky with resorts is that they have different shift times that are different than standard 8:00 a.m. to 5:00 p.m. work, so we are trying to gather all of that data. Another step that we want to do is really talk to some of the workers or have more survey information to find out how many could really take the bus because some are working multiple jobs and some need to use their cars because they have to go pick up their child from school or whatever. We want to be as real as possible with the data that we have so that we can project as best as we can. Where do we set the routes and what times are going to be the peak times? We do exactly what you are saying that as a priority for how we set them up and how we expand service.

Councilmember Kagawa: The initial phase is you said the survey is online.

Mr. Steinmetz: There was an online survey. We are going to follow-up with more detailed information like particular areas that we want to get more hard information on. Right now, we are working with the resorts on the south shore, for example, to get their employment data and really tie that into the information that we got from the online survey.

Councilmember Kagawa: Did we ever determine how many different people on a typical work day ride the bus? Did we ever do a count like that? I know it messes up some counts when they stay on the bus from stop to another stop and we count it again. I am wondering if we ever did a count because I am curious how many different people on a typical day, if we take an average even for a week, ride the bus? I think it is a legitimate question that the taxpayers should know. Later, if we do expand it, we can show the results like, "Okay, now this many people ride the bus and it shows the growth."

Ms. Mahikoa: We unfortunately do not have data that is that specific right now. We do take trip information so we know that we provided say one thousand (1,000) trips a day and you can kind of apply logic in order to try and calculate about how many individuals that would be. As far as the actual number of individuals using the bus in a day, we unfortunately do not have that available right now.

Councilmember Kagawa: Do you have an estimate of what you feel may be a typical count? Is it one thousand (1,000) or two thousand (2,000) people including tourists and residents? How many different people do you think ride the bus on a typical work day?

Ms. Mahikoa: Maybe, this is just pulling a ballpark, around seven hundred (700) to eight hundred (800).

Councilmember Kagawa: Okay. I had one more question, but I forgot what it was. Excuse me. Thank you.

Committee Chair Kaneshiro: Further questions? I have a question. The bus stops and ADA improvements at the bus stops—is that money coming out of this or is it coming out of highways or is it already going to be funded through some other means?

Ms. Mahikoa: The State Legislature generously provided six hundred thousand dollars (\$600,000) very recently and another one million five hundred thousand dollars (\$1,500,000) this past Legislative Session for us to finish up the work on forty-nine (49) different locations. For each of those forty-nine (49) locations, the ADA compliance is addressed in the design of the bus stop, so all forty-nine (49) will have the shelter be fully ADA compliant and we will have the bike racks and the benches available.

Committee Chair Kaneshiro: That is all of our bus stops? The forty-nine (49) are all remaining bus stops that need a shelter?

Ms. Mahikoa: That will leave some that will not have shelters. There are some that either are not considered completely...we are not certain that we should leave them where they are located now for one reason or another and if there are land ownership issues where individuals are denying the ability for us to install shelters at certain locations. Every location has its own separate story that we work through, but the forty-nine (49) certain ones that we were able to define early on are the forty-nine (49) that we have fully funded and anticipate being able to get done.

Committee Chair Kaneshiro: Okay, so those expenses are not going to be in this project. We already have the money for it from the State to do bus stops and ADA improvements to those.

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: Okay. Councilmember Kagawa.

Councilmember Kagawa: I remember what my question was. Do we have some routes that are consistently overcrowded?

Ms. Mahikoa: Yes. Typically our work commuter times would be crowded.

Councilmember Kagawa: Did we make any adjustments to accommodate that or do we tell them that they have to catch the next one?

Ms. Mahikoa: It is basically handled on a case-by-case basis. We have situations where when school gets out, the bus is completely overfilled, so we can identify another driver in the area who is maybe just ending a

run, so we will send them up there to help move the students down to where they need to go. Our dispatch team is very much on top of that as far as working with our drivers and our drivers help out with assisting when able to. Basically, we do what we can with the resources we have right now. If we are able to add to the frequency, that always helps and that may also encourage others to get on if they know they are not going to need to stand for a period of time.

Councilmember Kagawa: In response to that, did we ever consider looking into a double-decker bus that is not as hard to drive as a large, O'ahu type of bus, like the ones in London?

Ms. Mahikoa: It is interesting that you just mentioned that because I just spoke with our counterparts on Maui and they have been operating one double-decker bus over the past couple of years at least and they are actually looking to sell it now because of the difficulty with operating a vehicle that height on the island with overpasses. They are rather limited on the routing that they can do.

Councilmember Kagawa: So some of the electrical wires, telephone wires, and what have you give problems. Okay. Thank you, Chair.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I have a question on roads.

Committee Chair Kaneshiro: We are going to stay on buses. Does anyone else have more questions on buses?

Council Chair Rapozo: I have one question and the double-decker bus on Maui triggered it. What is up with the Honolulu buses that we got?

Ms. Mahikoa: We are currently still speaking with the United Public Works (UPW) union regarding working out the technical details on the difference in vehicle size.

Council Chair Rapozo: How long does that take? That was your response the last time you were here and it has to be close to one (1) year ago.

Ms. Mahikoa: Right and that is unfortunately taking longer than we had anticipated, but meanwhile we take the buses on the road every other week to go and make sure that they are still operating well. Of course we did not anticipate it taking this long to work through those details, but we hope to be able to address having that implemented.

Council Chair Rapozo: So we do not know how long it will be?

Ms. Mahikoa: I can hope for soon.

Council Chair Rapozo: What is the issue?

Ms. Mahikoa: Looking at whether or not we need to offer a separate classification of bus driver position.

Council Chair Rapozo: The Honolulu bus drivers are UPW, right?

Ms. Mahikoa: They are Teamsters.

Council Chair Rapozo: They are not UPW?

Ms. Mahikoa: No.

Council Chair Rapozo: Ours is UPW?

Ms. Mahikoa: Yes.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: We have seen all of these spreadsheets with the ten (10) years and the plan for the roads. Is there the ten (10) year plan for the bus piece, the twenty-five percent (25%)? Is that one of the attachments?

Ms. Mahikoa: Yes, it is "Attachment C."

Ms. Nakamura: "Attachment C" has the details.

Councilmember Kualii: So it is pretty evenly spread out over the ten (10) years and the bus purchases are happening in which year?

Ms. Mahikoa: If you look at the top section, "Capital," the last item listed under that top section shows buses.

Councilmember Kualii: Yes.

Ms. Mahikoa: It shows the amount we would need to invest in in vehicles each year.

Councilmember Kualii: It is actually over two million dollars (\$2,000,000) every year, spread out over ten (10) years.

Ms. Mahikoa: Yes.

Councilmember Kualii: But primary investment is in expansion? More buses, more drivers, more routes, and more hours. Is the increase and the parking area or the shop all part of this or is that somewhere else?

Ms. Mahikoa: It is actually in the fiscal year 2018 and fiscal year 2019 line items above the bus line items.

Councilmember Kualii: The nine hundred thousand dollars (\$900,000)?

Ms. Mahikoa: Yes.

Councilmember Kualii: Okay. What I am getting at, too, because when I received the information on the dollars that would be freed up from the General Fund, so there are seven hundred thousand dollars (\$700,000) on the low end and there is four million two hundred thousand dollars (\$4,200,000) on the high end, but the high end would mean that these new funds collected from the GET that would go to the bus operations could free-up current County general funds that are going to bus operations. If we freed-up that four million two hundred thousand dollars (\$4,200,000), that would not allow any of this expansion. This expansion is the four million two hundred thousand dollars (\$4,200,000). My thoughts are do you have any other plan, like a "plan B," if you only have half of that money what you would do, or do you only have this full throttle, all or nothing, four million two hundred thousand dollars (\$4,200,000)?

Ms. Mahikoa: You are saying as far as what determines whether or not we expand?

Councilmember Kualii: To what level you expand. This four million two hundred thousand dollars (\$4,200,000) a year over ten (10) years allows you to expand according to what you have proposed, so if you had half that amount, then you would expand evenly half or...I am just curious if you have thought of anything other than this full plan or prepared for anything other than this full plan.

Ms. Mahikoa: Regardless, what we would need is to make the frontend investments in our capital in our baseyard and our facilities.

Councilmember Kualii: So that nine hundred thousand dollars (\$900,000) in the first two (2) years, but this two million one hundred thousand dollars (\$2,100,000), two million two hundred thousand dollars (\$2,200,000), two million three hundred thousand dollars (\$2,300,000), two million four hundred thousand dollars (\$2,400,000) over ten (10) years for buses—that is with replacement, added, and overtime.

Ms. Mahikoa: These buses listed here are to support the service that is depicted in the operation/administration section underneath. In order to operate additional service, we would need this much in additional funding for buses and for personnel.

Councilmember Kualii: Oh, so the increase happens in Fiscal Year 2019 and once you have that added cost, it continues on?

Ms. Mahikoa: Yes.

Councilmember Kualii: So are these two million dollars (\$2,000,000) for replacing old buses? Do you keep buying new buses?



Ms. Mahikoa: In actuality, we are allowed to replace vehicles either every five (5) years or one hundred fifty thousand (150,000) miles; whichever comes first, which is just about always one hundred fifty thousand (150,000) miles first. What we have here is a vehicle rotation replacement plan. The first three (3) to four (4) years is buying new, and then beyond that it is replacing the first ones that we bought.

Councilmember Kualii: Is our plan at the level of where we are getting the most life out of each bus or are we replacing it prior to them falling apart?

Committee Chair Kaneshiro: Thanks to our excellent mechanics and drivers, we can take them up to probably about three hundred thousand (300,000) to three hundred fifty thousand (350,000).

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Have you explored the feasibility of putting the bus services in the same shop as the other departments? My understanding is that the FTA requires a pretty strict accounting of the use of supplies and materials, time, and of course there is that urgency that the buses be serviced promptly, otherwise you cannot provide the service to the riders.

Ms. Mahikoa: As far as FTA funding goes, if they are providing the funding for the positions, then the individuals are required to be working exclusively on transit-related responsibilities. If the repairs are occurring at a centralized shop and all of our mechanics are currently funded through general funds and highway funds, I believe—if that is the case, then FTA would not have an issue with it unless they are being asked to fund equipment that will be located in the centralized shop. The potential of it being used for non-transit related applications may raise some questions, in which case we just need to ensure that we are maintaining compliance with anything that we purchase with FTA funds.

Councilmember Yukimura: So in terms of best practice with bus systems like we have, do you know whether they are combined or whether standalone is preferred?

Ms. Mahikoa: I am not familiar with any that are combined. But then again, I have not visited many other transit operations. I have seen O'ahu's so far and they are exclusively...

*(Committee Chair Kaneshiro, the presiding officer, relinquished Chairmanship to Councilmember Kualii.)*

Councilmember Yukimura: O'ahu's is totally separate.

Ms. Mahikoa: Yes, they are contracted out.

Mr. Steinmetz: I think this is a good question and I have not looked into it, but this is something that we could ask our consultants and do a little bit more research on, in terms of best practices and get back to you with some information on that.

Ms. Mahikoa: Good idea.

Councilmember Yukimura: Thank you.

Councilmember Kuali'i: Any other questions regarding the bus? If not, we will move on to the next question. Committee Chair Kaneshiro is back.

*(Councilmember Kuali'i returned Chairmanship duties to Committee Chair Kaneshiro.)*

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: We got your goals for your bridges. What are your ten (10) year goals for roads?

Mr. Dill: Larry Dill, County Engineer for the record. Generally speaking, our goal is to address the backlog that we have identified by the recent inventory and survey that we had done by our contractor. I have not put definition to this yet as far as a pavement condition index target, which is a good thing that we should establish, but we want all of our roads to be in good condition by the end of the ten (10) years. I think you bring up a good point and we should establish a particular pavement condition index as a minimum threshold for all of our roads to stay at.

Councilmember Yukimura: I am presuming that one of your goals is to eliminate the backlog of one hundred million dollars (\$100,000,000) in ten (10) years. Is that correct?

Mr. Dill: Yes.

Councilmember Yukimura: Okay. I would assume it is also to ensure that there is a preventative maintenance process that keeps us from going into another one hundred million dollar (\$100,000,000) deficit?

Mr. Dill: Correct. That would be related to what I mentioned a moment ago, which is establishing a minimum threshold for a level of serviceability of the road and that would require a preventative maintenance program, yes.

Councilmember Yukimura: Okay. When you repave a road in year one, may I assume that the preventive maintenance program will start with that newly paved road?

Mr. Dill: Correct.

Councilmember Yukimura: So in ten (10) years, that road will be up-to-date?

Mr. Dill: Yes. We would be discussing, as we flush out the details of this program, is that we would touch our roads on a regular interval. We are thinking now that we would come back and treat...as I mentioned earlier, the program in a certain cycle would go with the slurry seal, and then a certain number of years later with another slurry seal, and then we might do a mill and fill to that road, then a couple of slurry seals in at some point, and reconstruction. We established that cycle for all of our roads. We are thinking right now that we would touch every local road on this island on a ten (10) year cycle and every collector road on either a six (6) or seven (7) year cycle. Of course that depends after the ten (10) years, maintaining a certain level of funding in order to support such a program.

Councilmember Yukimura: That is exactly what I am driving at. What is the recurring amount you will need to maintain a preventative maintenance program, which I am assuming you will be starting from year one with the roads that you paved or the roads that you paved in year zero. You are going to have to be applying preventative maintenance practices to that one, right?

Mr. Dill: Correct.

Councilmember Yukimura: So you are going to have two (2) things going: eliminating the backlog while you are preserving the roads that you pave...

Mr. Dill: Yes. We already intend, with our next Islandwide Resurfacing, to begin that with some of the roads we resurfaced five (5) to six (6) years ago to come back with slurry seal. We are beginning that process to set that up.

Councilmember Yukimura: Do you have an estimate of how much that would cost on a yearly basis?

Mr. Dill: Yes. Again, this is estimating ten (10) years down the road, so today's dollars—four million dollars (\$4,000,000) a year.

Councilmember Yukimura: Right now, we get one million two hundred thousand dollars (\$1,200,000).

Mr. Dill: Correct.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions for the Administration?

Councilmember Yukimura: And with no new roads. That is your bill...the assumption is no new roads.

Mr. Dill: Based on three hundred (300) lane miles of road. Sorry. Our current inventory, correct.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions for the Administration? If not, thank you. We will bring this meeting back to order. I am not sure where anyone is going to vote on this. The motion is to receive. I know there are a lot of things in play when we take this into consideration. We were here for many hours and I know there are also things that the State is doing that are into play and the TAT might affect the decisions. I can say that the State concludes May 5<sup>th</sup> and we would have a TAT decision on whether they decide to go with the recommendations or cut it in half and this needs to pass before mid-June, in order for us to be in compliance. I am just throwing it out there as a consideration. I am open to hearing the discussion. Right now, the motion on the floor is to receive. Councilmember Yukimura.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: I think this is a very important bill. As you know, I lobbied really hard for the authority of this one-half percent (0.5%) tax. So how we use it will be watched closely by the State and so I think we have to spend a lot of time thinking about it. I would like a chance to make a proposal to this Committee in two (2) weeks or in one (1) month. I do not want to defer it for a long time. I think continuous dialogue on it could be useful or at least some periodic dialogue.

Committee Chair Kaneshiro: You are proposing an amendment to the current bill?

Councilmember Yukimura: Yes. I would like to, but I would like to propose an overall plan because I want all of the things that are covered by this Bill to be funded somehow, well except the new roads. Unless they will really show, I think the priorities should be on traffic congestion and I guess I could see new roads that could be shown to improve our top traffic congested areas. I would like to have an overall plan for how to do this that I think would be fair and just. If the Committee would at least give me two (2) to four (4) weeks, I will then present it.

Committee Chair Kaneshiro: Sorry, I have one more question that I just thought about right now, so I am going to bring the Administration up. I apologize. I am going to suspend the rules. Nadine, I have a question. Earlier today, you mentioned an amendment or Ken mentioned an amendment to setup a particular fund. Does that need to be in this Bill and are you going to propose the language for it or can it be something that is done later after the decision?

There being no objections, the rules were suspended.

Ms. Nakamura: It might be cleaner to do it now and we are happy to prepare an amendment to the Bill.

Committee Chair Kaneshiro: But you do not have the amendment yet?

Ms. Nakamura: I am sorry, we do not. Basically, it changes the language. Instead of depositing the GET surcharge receipts into the Highway Fund to setup into a separate GET special fund just so that the accounting is clear.

Committee Chair Kaneshiro: Okay. How long do you think it will take to get that amendment?

Ms. Nakamura: If you want something right away, we can do that now.

Committee Chair Kaneshiro: Okay. I will call the meeting back to order. Discussion? Councilmember Chock.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Chock: This is a question for Councilmember Yukimura. Could you give us a little more in terms of the direction that you are heading towards? I understand that in your proposal you are looking at the same services or reaching the same amount of services, but are you looking at a different funding mechanism or different percentage? What are some of the details you might be able to offer in terms of the direction your mind is going?

Councilmember Yukimura: Let me just say that I think our priorities are fixing our roads, expanding the bus system, and addressing traffic congestion. They are all critical pieces. I think, and I have always thought, that the excise tax is appropriate to expand the bus system because it hurts proportionately the lower and moderate income families the most, but it also is the means by which they can save money. If we implement our Multimodal Land Transportation Plan, household transportation costs would go down by fifteen percent (15%). We heard Tevin and others that it is an affordable way for young people, elderly people, workers, and people with disabilities to get around. I see that it is appropriate. Road repairs are critical. We cannot kick the can down the road anymore, as some speaker said. It is like saddling our children with a huge bill and that is not right. Why do we have this huge bill? It is because we did not take responsibility; we were not willing to. We stopped things like the vehicle weight tax increase, which could have helped fund repair of the roads. People are complaining about the bus being subsidized—well, we have been subsidizing the roads by one hundred million dollars (\$100,000,000) in deferred expenses. Because we have not been willing to increase the gas tax and the vehicle weight tax, which are the users and it is according to use because the more you use, the more you are paying; the more you damage, the more you pay. Right now with gas prices low, people are paying two dollars (\$2) less per gallon. If you pay five cents (\$0.05) more per gallon, people are still going to be saving money. The third one is traffic congestion. As I showed you on first reading of this Bill, we cannot solve our problems at the same level that they were created. All this talk about bypass roads and so forth—that is the whole thing we have been going through with the Wailua-Kapa'a bypass, except that it is going to cost six hundred million dollars (\$600,000,000) and there is no way we have the money for that. If you look up at the screen, that is the result of building more roads in Honolulu. That is what Honolulu has done for thirty (30) years and that is what

they look like right now. That is what you can do with road space if you shift the mode.

Committee Chair Kaneshiro: We saw this presentation before.

Councilmember Yukimura: I know, but this is the concept which I have to be allowed to speak because it is part of the solution. The only way to really reduce congestion is mode shift and that is by making transit more available. I think some bypass roads, some of those local roads...

Council Chair Rapozo: Chair, the question from Councilmember Chock was what she was intending to do as far as the amendment.

Councilmember Yukimura: I am thinking about the three (3) goals...let me go back...fixing our roads...I think it needs to be done through a gasoline and vehicle weight tax increases, small, that will be reduced overtime as we do the backlog and do it now while energy prices and gas prices are low. The transit would be funded by the excise tax and it probably has to be ongoing because it is mainly operations. I believe like the rail, that is what legislators know they will fund. The road congestion, a combination of those projects that will really...what is that road? Pouli Road? The one that the Managing Director talked about...the ones they are looking at right now...the connections to Wailua Houseslots that would take some traffic off the main highway—a combination of that and increased bus service could really address the Wailua-Kapa'a corridor. We have not even begun to look at those kinds of trials that Celia was talking about.

Committee Chair Kaneshiro: Okay. I really want to narrow it in because I do not think your proposal is going to say what the County is going to do as far as projects. I think your proposal is going to have to say if we are going to go with the GET tax, if we are going to change the percentage, or if we are going to reallocate it a different way, I guess, would be the proposal. I do not think we can say that we are going to do this and here are all the projects that we are going to have the County do.

Councilmember Yukimura: I am not trying to specify the projects, but I am trying to specify that the nature of the projects have to be related to traffic congestion and reduction.

Committee Chair Kaneshiro: Got it. Councilmember Kagawa.

Councilmember Kagawa: I want to thank the Administration for the proposal and regardless of whether it gets approved or not, it is not going to waste because I think we needed to identify our priorities going forward for bridges, roads, transportation, and we may get there in another venue during the budget if there are alternate proposals to raise revenue like maybe increasing property tax for the tourist industry. As I said, if the State is taking away our TAT and our tourist tax that should be going to fix needs that are pressed upon us by our visitor industry and is a rapidly growing visitor industry, how can the State cut our funds from any increases? It is like saying, "Well, you folks are getting no more impacts from the visitors than last year or four (4) years ago," which is totally not true. One of the options could be to look at property tax increases for all of the visitor industry

classes. I will certainly be looking at that option. I do not want to hurt the visitor industries to the point where the room rates are so high that Kaua'i will be unattractive, but certainly, I think we have got to look at why we are here. I think we are here, primarily because the Legislature gave the City and County of Honolulu the authority to charge one-half percent (0.5%) for the rail, and being that they did that, I think the State legislators from the island of O'ahu, which outnumbers any other island—they control is; it is a monopoly. It does not matter that Senate President Kouchi is from Kaua'i. The majority of members there look out for O'ahu. Being that they gave the City and County billions of dollars with this rail tax, I think they are looking at the other counties and saying, "If you folks need more money to fix your island, be like the City and County of Honolulu and take the heat for raising the GET." I feel like that is not fair for our residents to pay sixty-five percent (65%) of what should be one hundred percent (100%) paid for by tourists. I will keep pushing our legislators to look at the working group's proposal at a minimum, giving us nine million dollars (\$9,000,000) additionally and I will put in an additional amendment and be asking our Kaua'i Delegation to look at a proposal that will only include the working group's recommendations for Kaua'i, Maui, and Hawai'i island, and leave the City and County of Honolulu out, because it looks like Maui and Hawai'i island are not going to be approving the one-half percent (0.5%) GET as well, just from my conversations with the representatives there. That would be my proposal. I do not want to pass a tax that came from the tourists to our residents. We only talk about the lower class suffering from a tax increase and that is totally not true. The middle class does not get income tax breaks, welfare, food stamps, grants and scholarships for their children who attend college, or free and reduced lunch. The middle class suffers greatly in the State of Hawai'i, especially on Kaua'i. Everybody suffers when we increase taxes and it is an easy decision for me not to increase a GE tax when I have never supported any tax increases here. Never. It is easy for me because I am consistent. I am saying let us live within our means and let us maximize what we can from the Legislature because I think there is compromise out there. That is how I feel right now. I will be voting to receive this. Thank you.

Committee Chair Kaneshiro:      Councilmember Hooser.

Councilmember Hooser:      I have been vocal in my opposition to raising the GE tax from first reading and I am glad to see that others on the Council are coming around to that decision also. I think it is a bad tax; it is a regressive tax. As Councilmember Kagawa mentioned, we are here because the State Legislature has put us in this box. Not only have they cut the transient accommodations tax, but they have not come through with their highway funding in the projects. It is more than just funding; it is getting the projects going, so we are here for that reason. If they would come through and do their job, the traffic on Kūhiō Highway specifically would be greatly alleviated with that project moving forward. The money from the TAT will be sufficient, in my opinion, to float bonds and to do a lot of this other work that we are talking about. Again, I have been against raising these taxes from the beginning. I sincerely appreciate the work the Administration has put into this. I know it is a tremendous amount of work, but it does not give me confidence that it is going to make one iota of difference in terms of traffic congestion. I think that is what the people in our community want first and foremost. If I was going to state my priorities, I would say it is traffic, traffic, and traffic. We have to address that first in the key corridors. I support public transportation and I know the

importance of maintaining the roads, but if the State Legislature would come through and restore the funds that they took away from our County and if they would come through with the highway improvements that have been languishing for a decade now, then we would not be in this position. We would still have to catch up on our paving and what not, but we would have other funds to do it. I am happy to vote to receive this to kill this attempt to raise the GE tax. I am open to looking at other proposals that Councilmember Yukimura and others are working on, which I am working on some myself. It might be a more creative and appropriate way to raising some additional funding. I was against the tax increase from the beginning and I remain against it and will be happy to vote to receive it. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I feel a little differently from what has been said so far. I just think that we need to work on it a little more. I think that it is our fiduciary responsibility to even look at if anybody has amendments, or even if it is not a part of this Bill, it might be an accompanying bill or accompanying resolution that adds to this what we would offset with. For example, I have been always concerned about the impact on the most vulnerable in our society with everyone paying even the small amount that we talked about. I think they showed us in the spreadsheet that it was a two hundred forty-two dollar (\$242) impact on a one (1) adult and one (1) child family in a year. That is twenty dollars (\$20) a month. It is not a lot, but it impacts people who do not have even one dollar (\$1) extra a month like seniors living on a fixed income, youth, handicapped, or disabled, if you will. I was looking at some targeted relief measures and I am thinking about putting that in the form of a resolution. I do not see any reason why we would not at least work on it a little more. I feel like it is our fiduciary responsibility in the sense that...even though traffic congestion is important and it is what we are hearing from the voters and it is an election year—we are responsible for a lot more than the most popular issue. For whatever reason, we are where we are at and we have this large backlog of road maintenance and road maintenance is not sexy, but it has to get done. If not now, then when? How will it get done? Maybe to a lesser degree, but we have to start somewhere, take responsibility, make it work, and see what we can do. I do not even know what is possible and where I will be at the end, but I want us to try a little more. The idea about putting it on the tourists—it is not fair to say that because the State did not give us the fair share of the TAT, that we should now add it to the real property tax because they are already paying it; it is just that the State has taken it. They are going to feel like, “Well, now we have to pay more because you cannot work it out with the State.” We have to do better with pushing for our TAT and our fair share and we have to come together as a whole County, mobilize our citizens, and talk to our legislators and have them battle for us. If they go to Honolulu and they end up fighting for the State or everything going on there in Honolulu, we have to remind them that they are there for us and for our constituents and citizens. I feel like we have a job to do. I am not ready to give up today. We have until June, so yes, there is not a hurry, but if we just kill this now, then it would take a new bill to even reconsider some form of this, some amended form of this. That is just where I am at. Thank you.

Committee Chair Kaneshiro: I just want to make it clear that the motion is to receive. If motion to receive passes, it will still go to the full Council. Again,



we want most of the work to be done here, as much as possible. Councilmember Yukimura.

Councilmember Yukimura: I think the motion to defer has precedence over the motion to receive, so we could just defer it, too, which I would like to do.

Committee Chair Kaneshiro: If there are the votes to defer it, then yes. Councilmember Chock.

Councilmember Chock: I just wanted to share where I am. First of all, I wanted to thank the Administration. I think they worked really hard on what they presented and while there has been a lot of work in it, I think that there is more to do. Because of that, I think I am in a place right now where I would like to continue to work on it, just as Councilmember Kualii mentioned. I think there may be a few alternatives and additional means of generating the revenue that we are talking about that can be discussed around the table and worked on with the Administration. There have been ideas about addressing the rental vehicles. I am more inclined to look at the fuel tax in this scenario, as it attributes more directly to the impact that is being caused. I think the shuttle study will also play a lot into how I move forward or vote on this because I think that is something we need to fully invest in. I agree that I think we should be looking at our feeder roads first, if any way possible. Traffic congestion is what the people have said is important and I think we should be looking at that in any way we can. Basically, I think it is a combination of multiple things that we need to consider. I think that putting all of our eggs in one (1) basket can be detrimental to the sustainability of trying to continue to fund this deficit that we have not in the past. Everything from lobbying the State to looking at some other creative incentives—that is why I appreciate today because I think it has spurred some insight and discussion on what those incentives could be moving forward. I think there is a lot more work to be done on this and whether goes to another bill or not, I am inclined to not receive it and to defer it in order for that work to continue so we can come up with some solid solutions that we can all agree upon. That is where I am with this. The last thing I wanted to say is that I do think there are two (2) things that would I like to see: one, I think the discussion today has shown that we need to be much more realistic and I am not confident yet that we are at that capacity of what we can provide. I would like to feel more confident about that and to be able to prove that we can do what we say we are going to do. Also moving forward, the post ten (10) years, we have just sort of touched the surface on the maintenance plans and some of those asset management solutions that I think need to be vetted forever. I think we are on the track. The bottom line is that we have dropped the ball on this for too many years. While I do not think the GET is the right solution, we have to come up with a solution and that is what I am committed to. I am looking forward to that. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Well, I made the motion to receive and I am going to support the receipt. I appreciate everything that has been done. I would agree with Councilmember Chock that the GET is not the solution. I would agree that the State was hoping that this Council would do what we are doing, that we would ignore the fact that they took our TAT and that their little carrot was the

GET, forcing us to raise the GET; forcing us because they knew that all the counties needed the funds. The GET is a pyramiding tax, a regressive tax, and a bad tax. Not long ago, this Council, not the same members, talked about the how bad that tax was and all of a sudden we are talking about it, that "it is the saving grace." It is not; this is not a good thing. The visitor industry impact to this island is going to be transferred from the visitors' dollar to the County taxpayers. That is what this does. It is not fair. Since 2007, the State has enjoyed almost a one hundred ninety-seven million dollar (\$197,000,000) increase in TAT; and for the counties: two million two hundred thousand dollars (\$2,200,000) million that has to be shared amongst the four (4) counties. That is not fair. That money is generated by the visitors and we should get a bigger portion of that. Every TAT dollar spent comes with a four percent (4%) GET that we do not even hear about. The reason I talk about the TAT is because that is where we should be going after. For the public, you need to talk to your Kaua'i Delegation. That is where it is at. Do not go and put the people here, the taxpayers, and have them pay another one-half percent (0.5%) just because the State wants to maintain that cap. I have a lot of concerns and it is also unfair for the State to say, "You have only this period of time to pass this Bill." It is horrible. Why is it not an open opportunity or an open option every year? "No, you have to do it in this window," because they want the councils to feel like their back is against the wall so we have to pass it. There was no discussion on these items before the money was available and I have been here since 2002 and there was a short break, but we never had any discussions. We never had any discussions. The money became available and all of a sudden we have this wonderful plan. During all of those years, the bridges and roads went to crap. All of a sudden, because there is a pot, now we have a plan. I use the Hardy Street improvements, Kawaihau Road, and TIGER grant—we spend a lot of energy on these things throughout the year because the money is available. But no, we have to work on this when the money is not available. We need to have a plan in place and we have not done that. I share the responsibility because I have been on this Council for a long time. Scott, can you put that slide up? I am going to put this up because I do not think we have the capacity to do all of those bridges and improvement in three (3) years. I get really offended when people infer that because I did not support the gas tax increase, myself and Councilmember Kagawa, that we are the cause of this big backlog. Since 2012, that is the budgeted amount for road resurfacing from this Council and this is what we spent, so do not tell me that they need the money. It is about capacity. What can we logistically, reasonably, and realistically do in a period of time? Those numbers do not lie. They come right off the budget and the CAFR. That is what we budgeted. Yes, we took a couple of years off. The bottom line is can we spend the money? Are we going to set up a special GET account and leave the money there, tax our people, and put it into a bank until we are ready to spend it? No, I am not going to support that. I have been here long enough to know that this...it is just government. It is not this County; it is all over the place. It takes a long time to get things done, a very long time. I just wanted to use this example because the public out there has been told or is under the impression that we are going to alleviate congestion, that we are going to get all of these roads paved quickly, but it is not the case. It is going to take a long time. Yet, we continue to do these projects...I do not know how people... the response I get from Hardy Street and these other projects is that they are not very happy with that. They would much rather us work on the traffic congestion in Kapa'a and the west side, which is a priority for me. The fact that this plan says we are going to discuss it and decisions have to be made is not enough for me. That is

not enough. We need to have a plan of what we are going to do to alleviate congestion because that is what the people think they are going to be paying an extra one-half percent (0.5%) for. That is my time. Thank you.

Committee Chair Kaneshiro: Thank you. Councilmember Yukimura.

Councilmember Yukimura: I just want to say, as the person who lobbied for this one-half percent (0.5%), that the State gave us a deadline because they cannot leave that authority out there, because when they do, they cannot pass a one-half percent (0.5%) tax themselves. So they have to know whether we want it or do not want it. There is a Hawai'i State Teachers Association (HSTA) proposal to have a one percent (1%). If they feel the counties are all going to use it...it is not like an ever expanding resource. They understand that you just cannot keep piling up taxes on people, so they want to know whether we are going to use it or not. That is why there is a deadline. I want to say that I have been a strong advocate of the TAT moneys and I think we deserve it. But we deserve it to offset the impacts that visitors have on this island, not to pay for the things that we should be responsible for like rescues and park maintenance; those things that our visitors require and are causing for County costs. We really deserve that money. I do not see it as "*in lieu*" of. So a very well-crafted tax policy is what we need. We cannot keep letting our roads deteriorate, so we have to find a way to repave and maintain them.

Committee Chair Kaneshiro: Councilmember Kualii'i.

Councilmember Kualii'i: Just very briefly, I want to say that I do not have an amendment to make this better. If there is any shot, it takes a totally different bill and I am willing to work with whoever works on something, but if this vote is today, I think I will support the receipt.

Committee Chair Kaneshiro: I do not even know where to start. Nobody wants to pay taxes and I do not usually see a lot of E-mails saying, "Please raise my taxes." When we are one hundred million dollars (\$100,000,000) behind in road repairs, it makes me think, "Is that fair to us to have that kind of liability?" No. I guess the next question is what do we do about it? What is the solution? Do we continue to kick the can down the road? Do we make it fair to future generations and say, "Hey, we have a one hundred million dollar (\$100,000,000) liability in roads right now, so let us kick the can down the road and you folks deal with it?" Maybe it will be two hundred million dollars (\$200,000,000) at that time. Do we take a step now and try to do something about it? For me, I think it is our responsibility to try to do something about it and you look at what kind of tools do we have to get to pay for this? We do not really have many tools. We are not going to have money falling out of the sky. Basically, we have the GET, which is being proposed right now. We have the TAT, which we do not really have a clue where that is going. Again, on May 5<sup>th</sup> we will have a better idea of whether the State is going to take the recommendation of the nine million dollar (\$9,000,000) increase. They may cut it or not even give it to us. It is very hard to say what they are going to do. We have a fuel tax, vehicle weight tax, and a real property tax. Those are the methods that we can use to try and cover this cost. For me, the question is not are we going to pass this cost off? I do not think we should. I do not think we have been budgeting to even try to catch up. I think when we budget, it is not even fair

to budget one million two hundred thousand dollars (\$1,200,000) when the liability is six million dollars (\$6,000,000) or seven million dollars (\$7,000,000) a year. For me, it is kind of a question of where do we want to take it in the pants? Do we want to pay a GET? Do we want to pay it in a vehicle weight tax? Do we want to pay it in a fuel tax? Do we want to pay it in real property taxes? As the state we are in, we are not really in a rush to do it, so I want to keep the toolbox open and see what is going to happen with the TAT. How much money are we going to get from that? What is the consensus on the GET here? If the GET fails, then what are we going to do in the future? Are we going to start budgeting for all of this maintenance? How are we going to pay for it? Then we will be left with a fuel tax, vehicle weight tax, and real property tax as our only means to fund it. For me, it comes down to what is our responsibility and what is our legacy? Do we want to continue kicking this can down the road—one hundred million dollars (\$100,000,000) in road improvements? I am just talking about road improvements. I am not talking about new roads or bus expansion. I am talking about road and bridge improvements, which I look at the County and spending money as kind of like my own bank account. I want to take care of the needs that I have now before I go and buy something new and build a new road and add maintenance. To improve this, I think we still have some checks and balances in our hand because the projects are going to have to come in front of us. We have to vote on it. Do I want to do a full-on bus expansion and pay over sixty million dollars (\$60,000,000) and have a seven million dollar (\$7,000,000) liability at the end of ten (10) years? Not really. I am not comfortable with it. Do I think all of these roads need to go in? I am not sure. All I know is that we need to get our deferred maintenance covered. For me, I want to keep the toolbox open. If it is the GET, it is the GET. Eventually, someone is going to have to pay a tax to get these costs covered, which is the sad truth. If not, we can take the easy road and continue to kick the can down the road, but is that what we want to leave for our kids or the next generation with this huge liability and big potholes? We have seen cases come in from the Tunnel of Trees where people's tires have been broken from potholes. We see what Puhi Road looks like. Again, I think there are a lot of concerns and they are all valid concerns. Accountability for the money—are we going to spend it? Can we spend it? Project type—are these the projects that we actually want? For me, I think the main point is that we should keep the toolbox open. I am open to deferring. I am open to hearing any new proposals. For me, I do want to see what the State is going to do and how we are going to react to it. Ultimately, we are not going to have money falling from the sky to be able to pay for all of this. I am willing to vote on a deferral.

Councilmember Yukimura moved to defer Bill No. 2610 to the March 2, 2016 Committee Meeting, seconded by Councilmember Chock, and carried by the following vote:

FOR DEFERRAL:	Chock, Kualī'i, Yukimura, Kaneshiro	TOTAL – 4.
AGAINST DEFERRAL:	Hooser, Kagawa, Rapozo	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Committee Chair Kaneshiro: Seeing no further business and hearing no objections, the Budget & Finance Committee is now adjourned.

There being no further business, the meeting was adjourned at 5:44 p.m.

Respectfully submitted,



Codie K. Yamauchi  
Council Services Assistant I

APPROVED at the Committee Meeting held on March 16, 2016:



ARRYIO KANESHIRO  
Chair, BF Committee